

ance Act of 1940, as amended; to the Committee on World War Veterans' Legislation.

H. R. 5773. A bill to amend certain provisions of the National Service Life Insurance Act of 1940, as amended; to the Committee on World War Veterans' Legislation.

By Mr. BARTLETT:

H. R. 5774. A bill to authorize the Legislature of Alaska to enact divorce laws; to the Committee on the Territories.

By Mr. JENKINS:

H. R. 5775. A bill to provide for central responsibility for the production and distribution of the Nation's food by establishing a War Food Administration in the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. COFFEE:

H. R. 5776. A bill to provide discharge papers for men who were called for induction into the Army during World War I, but who were not sworn in due to the end of the war; to the Committee on Military Affairs.

H. R. 5777. A bill to amend the National Service Life Insurance Act of 1940, as amended; to the Committee on World War Veterans' Legislation.

By Mr. DOMENGEAUX:

H. R. 5778. A bill to provide for limitation of agricultural exportations under Government control; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States to enact House bill 5172, introduced by Congressman KELLEY of Pennsylvania, extending to veterans unemployment allowances under the GI bill of rights, where stoppage of work exists because of labor disputes; to the Committee on World War Veterans' Legislation.

Also, memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States to use every effort to provide for an equitable distribution of educational surplus property; to the Committee on Expenditures in the Executive Departments.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOYLE:

H. R. 5779. A bill for the relief of Mrs. Inez B. Copp and George T. Copp; to the Committee on Claims.

By Mr. GORDON:

H. R. 5780. A bill for the relief of Jan Pawluk; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1702. By Mr. GRAHAM: Petition of 101 residents of Pennsylvania, offering an amendment to the railroad pension plan; to the Committee on Interstate and Foreign Commerce.

1703. By the SPEAKER: Petition of the Ex-Servicemen's Association of the University of Texas, petitioning consideration of their resolution with reference to the disposal of surplus war property and the making available of low-cost homes and housing materials to ex-servicemen; to the Committee on Banking and Currency.

1704. Also, petition of the county commissioners of Essex County, Mass., petitioning consideration of their resolution with reference to their request for legislation to so amend the Federal aid to dependent children law as to permit the matching with Federal funds of all amounts expended by States, or their political subdivisions, on account of aid to dependent children; to the Committee on Ways and Means.

1705. Also, petition of the Texas Wildlife Federation, petitioning consideration of their resolution with reference to the work of the Fish and Wildlife Service, United States Department of the Interior; to the Committee on Appropriations.

SENATE

FRIDAY, MARCH 15, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Ralph C. John, S. T. M., assistant minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Eternal God, our Heavenly Father, Thou before whom a thousand years are but as yesterday when it is past, midst the high challenges and the abysmal threats which are consequent to every great moment of history, we turn unto Thee in whom is our strength and our salvation. Visit our minds with Thy wisdom, our wills with Thy unfailing goodness, and make us to see such a vision of Thy abiding purposes that in its radiance our way may be lighted and our aspirations made pure.

Apart from Thee and Thy providence, O God, there is no humanitarianism through which the needs of Thy children may be met; neither is there an idealism in which a saving sense of destiny can be claimed. Yet in fellowship with Thee and by the benefits of Thy guidance a glorious future of peace and plenty beckons. Come Thou and reign in our hearts.

Hear us, we beseech Thee, as humbly and reverently we pray in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, March 14, 1946, was dispensed with, and the Journal was approved.

NOTICE OF HEARING ON NOMINATION OF CARRICK H. BUCK TO BE FIRST JUDGE OF THE FIRST CIRCUIT, CIRCUIT COURTS, TERRITORY OF HAWAII

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, March 22, 1946, at 10:30 a. m., in the Senate Judiciary Committee room, upon the nomination of Carrick H. Buck, of Hawaii, to be first judge of the first circuit, circuit courts, Territory of Hawaii. Judge Buck is now serving in this

post under an appointment which expires March 24, 1946. At the indicated time and place, all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Mississippi [Mr. EASTLAND], and the Senator from Oklahoma [Mr. MOORE].

LEAVE OF ABSENCE

Mr. SHIPSTEAD. Mr. President, I find it necessary to be absent from the Senate possibly the most of the next week, beginning today, and I ask unanimous consent that I may have permission to be absent for that time.

The PRESIDENT pro tempore. Without objection, leave is granted.

MESSAGE FROM THE PRESIDENT— APPROVAL OF BILLS

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 14, 1946, that the President had approved and signed the following acts:

S. 176. An act for the relief of the city of Memphis, Tenn., and Memphis Park Commission;

S. 1532. An act to authorize the appointment of certain persons as permanent brigadier generals of the line of the Regular Army; and

S. 1535. An act to authorize the Secretary of War to convey certain lands situated within the Fort Douglas Military Reservation to the Shriners' Hospitals for Crippled Children.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1821) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families, with an amendment in which it requested the concurrence of the Senate.

The message notified the Senate that Mr. GAMBLE had been appointed a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, vice Mr. CRAWFORD.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5529) to authorize the President to appoint Lt. Gen. Walter B. Smith as Ambassador to the Union of Soviet Socialist Republics, without affecting his military status and perquisites, and it was signed by the President pro tempore.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SALE OF LIQUOR TO INDIANS OUTSIDE INDIAN RESERVATIONS

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to permit the sale of liquor to Indians outside Indian reservations (with an accompanying paper); to the Committee on Indian Affairs.

PERSONNEL REQUIREMENTS

A letter from the Chairman of the President's Committee on Fair Employment Practice, transmitting, pursuant to law, an estimate of personnel requirements for that Committee for the quarter ending June 30, 1946 (with an accompanying paper); to the Committee on Civil Service.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the Geological Society of Washington, D. C., comprising professional geologists in the Washington area, relating to atomic energy; to the Special Committee on Atomic Energy.

By Mr. VANDENBERG:

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Finance:

"House Concurrent Resolution 10

"Concurrent resolution memorializing the Congress of the United States to enact H. R. 5172, introduced by Congressman KELLEY, extending to veterans unemployment allowances under the GI bill of rights, where stoppage of work exists because of labor disputes

"Whereas some 300,000 veterans of World War II from the State of Michigan have been discharged from the military forces of the United States of America; and

"Whereas thousands of these veterans secured employment in the industrial plants of our State upon discharge from the military forces; and

"Whereas many of these veterans were employed for only a short time before work stoppage due to labor disputes, and the Michigan courts have held that the benefits provided under the Michigan unemployment-compensation law do not apply to veterans where said unemployment arises from labor disputes; and

"Whereas untold hardships are being suffered by the men and women of Michigan who served their country so nobly during the late war, and a critical condition now exists among the unemployed veterans due to the present State and Federal laws where said unemployment arises from labor disputes; and

"Whereas there is now pending before the Congress of the United States H. R. 5172, introduced by Congressman KELLEY, extending to veterans unemployment allowances under the GI bill of rights where stoppage of work exists because of labor disputes: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring), That the Michigan Legislature urgently requests the Congress of the United States to enact H. R. 5172, introduced by Congressman A. B. KELLEY, extending to veterans unemployment allowances under the GI bill of rights, where stoppage of work exists because of labor disputes; and be it further

"Resolved, That suitable copies of this resolution be transmitted to the President of the United States, to the President of the Senate, and Speaker of the House of Representatives of Congress, to Congressman KELLEY, and to

the Michigan Members of the Senate and House of Representatives of Congress.

"Adopted by the house February 12, 1946.

"Adopted by the senate February 20, 1946."

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Military Affairs:

"House Concurrent Resolution 13

"Concurrent resolution memorializing the members of the Michigan delegation in Congress to use every effort to provide for an equitable distribution of educational surplus property

"Whereas the Federal Government has adopted the following policy in regard to the disposal of educational surplus property: 'Section 13 (a) of the Surplus Property Act of 1944 provides generally, to the extent feasible, for transfer of surplus property on the basis of need to nonprofit institutions and instrumentalities so that they may have the opportunity to fulfill in the public interest their legitimate needs, and that surplus property that is appropriate for school, classroom, or other educational use, and surplus medical supplies, equipment, and property suitable for use in the protection of public health, including research, may be disposed of at a value which takes into account any benefit which has accrued or may accrue to the United States from the use of such property'; and

"Whereas the Federal Government has created an educational surplus property agency within the United States Office of Education and to channel surplus goods on the basis of need to nonprofit school systems, libraries, universities, research institutions, hospitals, medical or sanitational institutions; and

"Whereas the agencies to be benefited by this program are experiencing difficulty in securing this property because of the limited period between the time of notification and the final date of sale; and

"Whereas the cost is still excessive for educational and health agencies even though 40 percent reduction is allowed; and

"Whereas lot sizes make it impossible for these agencies to avail themselves of the surplus property even when pooling their purchasing power extensively: Now, therefore, be it

"Resolved, by the house of representatives (the senate concurring), That the Michigan Legislature memorializes the Members of the Michigan delegation in Congress to use their good offices in an effort to (a) secure a longer period of time for notification of offers to sell, (b) provide for a near donation cost to the schools and educational and health agencies, generally being only freight and hauling charges, and (c) that materials be made available in lot sizes which may be used by educational and health agencies, in the belief that such a program was intended by Congress in passing section 13 of the Surplus Property Act of 1944, and be it further

"Resolved, That suitable copies of this resolution be transmitted to the President of the United States, to the President of the Senate, and Speaker of the House of Representatives of Congress, and to the Members of the Michigan delegation in Congress.

"Adopted by the house February 13, 1946.

"Adopted by the senate February 20, 1946."

CONFERENCE OF GOVERNMENTS ON DISARMAMENT—LETTER FROM MRS. OMAR JOYCE, MINNEAPOLIS, KANS.

Mr. CAPPER. Mr. President, I have received a fine letter from Mrs. Omar Joyce, of Minneapolis, Kans., urging me to support the resolution submitted by the Senator from Maryland [Mr. TYDINGS], which requests the President to call a conference of the Governments of all the Nations, whose business would be to try to achieve world-wide disarmament not later than January 1, 1950.

I think the resolution submitted by the Senator from Maryland should have the serious consideration of the Senate. I ask unanimous consent to present the letter for appropriate reference and printing in the RECORD.

There being no objection, the letter was received, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

MINNEAPOLIS, KANS., March 4, 1946.

HON. ARTHUR CAPPER,
Washington, D. C.

DEAR MR. CAPPER: We want to thank you for your support of the Martin resolution to abolish peacetime conscription on a world-wide scale. We appreciate that so much.

And also we want to ask you to use your support in favor of Senate Resolution 219, introduced by Senator MILLARD TYDINGS, on January 28, that authorized and requests the President to call a conference of the governments of all the nations whose sole business would be to try to achieve world-wide disarmament by January 1, 1950.

If this bill is not given support the military and the administration will likely assume that we are not interested in world disarmament. Well, people really are, for when you ask them about it they say we must disarm or destroy civilization. But most folks are so busy that they seldom take time to write letters to Congress about anything and there really are so many things to write about these days that it would keep any of us busy if we wrote about them all.

We need a secretary of peace in our Government too, and I am greatly interested in the movement to achieve a world government of some kind. The time is ripe for that. As someone has said, "It is now one world, or no world."

And I think we do not need to have trouble with Russia. I think they are trying to create an emergency at this time to try to put over peacetime conscription on us. The editors of the Topeka Daily Capital are giving us some good editorials against conscription these days and we appreciate it.

World disarmament by 1950!

Sincerely and respectfully,

Mrs. OMAR JOYCE.

LEADERSHIP IN WINNING THE PEACE—RESOLUTION OF COMMON COUNCIL OF CUDAHY, WIS.

Mr. WILEY. Mr. President, I ask unanimous consent to present for proper reference and printing in the RECORD, a resolution adopted by the Common Council of the City of Cudahy, Wis., on March 5, 1946, petitioning the Congress to take immediate and firm leadership in winning the peace at home and abroad.

There being no objection, the resolution was received, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Resolution 701

Whereas many living people in the city of Cudahy have witnessed three generations of American manhood and womanhood answer the call of their Government to defend ourselves, and all free people of the world, against aggressor nations, and over 11 percent of our local population served in World War II; and

Whereas our victories in war, at unmeasurable cost of human life, were motivated and accomplished by our strong belief in the rights of free people to be permitted to live in peace with one another; and

Whereas there are some elements in the country who, through their ruthless under-

takings, are stimulating the pulse of another war; and

Whereas humanity is now face to face with a choice between life and death—between total atomic extinction and total peace; and

Whereas no greater monument could be created by those living, in memory of those who served and died in the belief that "Peace on earth, good will toward men" would prevail, than the establishment and adherence to a doctrine of world peace; and

Whereas those who served and died for the cause of peace shall not have done so in vain and that while the world may not have had a common past, it does have a common future—peace: Be it

Resolved, That the Common Council of the City of Cudahy, in behalf of all its citizens, hereby petitions the Congress of the United States to take immediate and firm leadership in winning the peace at home and abroad in the same firm and complete manner as we did in winning the war; and be it further

Resolved, That copies of this resolution be forwarded our representatives in Congress, the Governor of the State, the county board, and to all city councils, town and village boards in Milwaukee County.

GOVERNMENT EXPENDITURES AND A BALANCED BUDGET—RESOLUTION OF TAXPAYERS' ASSOCIATIONS OF NORTH-WEST WISCONSIN

Mr. WILEY. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the *RECORD* a short resolution of the representatives of the local taxpayers' associations in 11 counties of the north-west section of the State of Wisconsin. This conference was held in La Crosse on March 6. It indicates how concerned the people are in relation to the important subject of the Federal Government doing everything within its power to bring about a balanced budget.

The strike situation which we have been facing of late does not make for economic or moral solvency of this great Nation.

There being no objection, the resolution was received, referred to the Committee on Finance, and ordered to be printed in the *RECORD*, as follows:

Whereas the proposed budget for the Federal Government for the fiscal year ending June 30, 1947, totals more than \$35,000,000,000; and

Whereas this total is nearly \$4,000,000,000 in excess of anticipated revenues for the fiscal year; and

Whereas this budget presents the first opportunity in 16 years for balancing revenues and expenditures; and

Whereas the taxpayers of the Nation cannot afford to have the Government spend more money than it takes in and are not in a position to continue paying for war agencies which should be discontinued or to support war agencies of no use to civil functions, while expenses for civil functions would be increased; and

Whereas this is not the time for launching the most gigantic Government public works program in history, in competition with urgent private projects, or for maintaining expenses for general government at a level 100 percent higher than that of 1939: Now, therefore, be it

Resolved, That Congress be urged to scrutinize all spending proposals to which the Government is not already committed and to cut proposed expenditures by an amount at least sufficient to permit balancing the budget; be it also

Resolved, That copies of this resolution be sent to Wisconsin Congressmen.

A. G. Benjamin, Nelson, Wis.; T. E. Lewis, Mauston, Wis.; C. A. Jones, Mauston, Wis.; A. E. Wackney, Tomah, Wis.; John G. Beck, Benton, Wis.; George L. Cook, Linden, Wis.; John Honel, Tomah, Wis.; Robert J. Edge, Platteville, Wis.; Silas F. Wallen, Taylor, Wis.; E. J. Norman, Richland Center, Wis.; Earl Prane, Arkansaw, Wis.; C. B. Allerby, Whitehall, Wis.; John A. Thompson, Hixton, Wis.; A. O. Torson, Independence, Wis.; C. L. Behnken, Mauston, Wis.; W. J. Hood, La Crosse, Wis.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. McKELLAR, from the Committee on Appropriations:

H. R. 5671. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes with amendments (Rept. No. 1066).

ABSENTEE VOTING BY MEMBERS OF THE ARMED FORCES—REPORT OF COMMITTEE ON PRIVILEGES AND ELECTIONS

Mr. GREEN. Mr. President, from the Committee on Privileges and Elections, I ask unanimous consent to report favorably the bill (S. 1876) to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended, and I submit a report (No. 1065) thereon. I am glad to state that the bill is reported unanimously, with certain amendments.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. VANDENBERG:

S. 1950. A bill to repeal the law permitting vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes; to the Committee on Commerce.

By Mr. WHEELER:

S. 1951. A bill authorizing the Secretary of the Interior to convey certain lands in the State of Montana to Norman Nedrud; and

S. 1952. A bill authorizing the issuance of a patent in fee to Sampson Birdinground; to the Committee on Indian Affairs.

By Mr. EASTLAND (for himself and Mr. WHERRY):

S. 1953. A bill to amend the Espionage Act of June 15, 1917, as amended; to the Committee on the Judiciary.

By Mr. MITCHELL:

S. 1954. A bill to authorize the construction of an electrochemical laboratory in the Pacific Northwest; to the Committee on Mines and Mining.

By Mr. BILBO:

S. 1955. A bill to authorize the Commissioners of the District of Columbia to provide necessary utilities for veterans' housing furnished and erected by the National Housing Administrator; to the Committee on the District of Columbia.

MODIFICATION IN THE AUTHORIZATION FOR CERTAIN SUBSIDIES—CONFERENCE REPORT

Mr. BARKLEY. Mr. President, I present a conference report on House Joint

Resolution 301 and ask for its present consideration.

The PRESIDENT pro tempore. The report will be read.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses, as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2; and agree to the same.

ALBEN W. BARKLEY,
SHERIDAN DOWNEY,
ABE MURDOCK,
ROBERT A. TAFT,

Managers on the Part of the Senate.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,

Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. BARKLEY. Mr. President, the conference report is on the House joint resolution which we had before the Senate a week or 10 days ago to which the Senate added an additional allocation to the previous authorizations for meat subsidies of \$125,000,000, and for flour of \$25,000,000, and so on. The House agreed to the Senate amendments in toto.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

IMPORTANCE OF CONTINUOUS SESSIONS OF THE SECURITY COUNCIL

Mr. VANDENBERG. Mr. President, supplementing my previous discussion of the United Nations I want to add one brief postscript as a result of current events.

I think it is unfortunate that the Security Council of the United Nations is not in continuous session during such times as these. That is my conception of its function under the Charter which requires in article 28 that it "shall be so organized as to be able to function continuously." It is true that this language does not literally require continuity of meetings at all times—particularly since the same article in the Charter says that these meetings shall be "periodic". But in the larger sense of the word, and in the full meaning of article 24 which charges the Security Council with responsibility for "prompt and effective action," I think the Security Council most certainly should be sitting every day of every week when the world is as restless as it is at the present moment.

I hasten to say I am not speaking critically. I am not complaining. I am not attempting to inject any viewpoint into the current problems of our own State Department. The Security Council is not yet 2 months old. It could scarcely have

been expected to settle into a regular schedule so soon. I am simply posing an academic observation, on the basis of current events, for future consideration.

I feel very deeply that the Security Council's greatest advantage and its greatest potential for peace is in constant continuity of contacts—day by day, and even hour by hour—when trouble is afoot. I think it is infinitely less probable that little frictions will grow into big ones if the members of the Security Council, particularly including the five great powers, are facing each other eye to eye each morning. Thus the Security Council would consider the world's problems as a matter of routine and it would not emphasize the psychology of crisis by assembling after the elements of crisis had crystallized. It would be a "fire department" instead of a "salvage squad."

In the absence of such intimate contacts, we are thrown back into the old and tedious mode of "writing notes" from capital to capital during these current hair-trigger days. There is a better and a more hopeful way. It is the way envisioned by my conception of the Security Council of the United Nations as an institution which is open for business every day in every year. I dare to hope that the time will come when the Security Council operates upon such a schedule. It will be encouraging to the hopes of men for peace.

Mr. THOMAS of Utah. Mr. President, before I begin my remarks on the pending bill I should like to associate myself with the views expressed by the Senator from Michigan [Mr. VANDENBERG]. The United Nations Organization is established, and, as I understand has, or will soon have, a permanent Secretariat. The Security Council is an extremely essential instrumentality of the United Nations, and I agree with the Senator from Michigan that it should be constantly in session.

I should like to add to what the Senator from Michigan has said, that world government under the United Nations as a road to peace can be effective only if the institutions which function under it remain active and alert and constantly strive for the goal of peace.

Mr. President, at this time probably more than at any other time in our history, when new instrumentalities for peace are being set in motion we should reflect on the past and think of the changes which have occurred. If there was ever a time when American citizens should be historically minded and not hysterically minded this is the time. A reading of the headlines in the newspapers from day to day discloses a striking similarity with conditions prevailing in wartimes. All the hate, all the envy that once were turned against one nation or its representatives are turned at another time against other nations or their representatives. The lack of appreciation of things as they are is so evident that one should be forgiven for calling attention to that fact.

Lately, for one reason or another, attack upon attack has been made against the former Prime Minister of Great Britain. Constantly there is a running at-

tack upon one of our greatest allies, Russia. Mr. President, I suggest that we study the history of the past hundred years and review what have been the aims and aspirations of the great Russian Nation, or the Nation of the Russias, as it used to be called, and note that that nation, like our Nation, has lived within a cycle of destiny, has lived in accordance with a plan, which has back of it as an ultimate end the desire for existence.

Some of the things which that great nation is fighting for today are exactly the same things it fought for in the fifties of the last century. It was frustrated, it was stopped, it did not attain its objectives. That nation has constantly attempted to achieve other things by what it called peaceful penetration, by assuming spheres of interest, by making peaceful conquests, and by means of treaties.

Then came two mighty wars. Each of those wars set Russia back in the attainment of what it thought was its proper aims. These aims are simple ones, Mr. President. A great inland nation, bordering on no waters, will constantly have one aim, if I have any knowledge of the philosophy of history. It wants an all-year-round outlet to the Atlantic, to the Mediterranean, to the Indian Ocean, and to the Pacific Ocean. That is a national striving consistent with that of all other nations. In these things it has been stopped, because Russia, whether czarist or Bolshevik, whether Communist or revolutionary, has maintained the same foreign policy and has held to the same aims, and in addition to that, under each of those types of government the Russian people have been kept from attaining their objective by defeats in various wars, and by various types of action against them.

Now, Mr. President, for the first time in over a hundred years a nation stands victorious with a chance to attain some of its at least hundred-year-old objectives. Should we not take that into consideration when we pass judgment? Should we not understand these things when we speak on such subjects? When we speak let us do so in accordance with that background and with that understanding. If we do, then I am sure that great difficulties will not be created, and there will not be rumors of wars in the newspapers, and people will not be constantly discussing such rumors.

RELATIONS WITH RUSSIA

Mr. CAPPER. Mr. President, I received a very interesting letter from Rev. and Mrs. W. S. Baker, well-known citizens of Wichita, Kans., who call my attention to an editorial printed by the Wichita Beacon suggesting that Joseph E. Davies, former Ambassador to Russia, would be the right man to bring about a friendly understanding between Russia and the United States. I think the suggestion is well worth serious consideration.

I ask unanimous consent that the editorial from the Wichita Beacon and the letter from Rev. and Mrs. W. S. Baker be printed in the RECORD.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

WICHITA, KANS., March 9, 1946.

Senator ARTHUR CAPPER,

Washington, D. C.

DEAR SIR: I am enclosing an editorial taken from the Wichita Beacon of March 8, which contains a very fine suggestion for dealing with the trouble between Russia and the United States. It would be deplorable if serious trouble should arise at this time between the United States and Russia.

Cannot someone be sent to Russia to bring about a solution of the difficulties?

I am writing for both Mr. Baker and myself. Mr. Baker is a brother of the late H. L. Baker of La Crosse, Kans., who was for many years chairman of the Republican Committee of Rush County, Kans., and a staunch friend of yours.

I trust I am not bothering you too much. Thank you.

Very sincerely,

Rev. and Mrs. W. S. BAKER.

SHOULD SEND PEACEMAKER TO RUSSIA

The situation in Iran, where the Russians refuse to withdraw their troops, threatens to afford the first case for consideration by the World Security Council of the United Nations Organization. Again the peace of the world is facing a serious threat. The Iranians are seeking peaceful relations with their powerful Soviet neighbor. But no progress is being made toward solutions of this dangerous matter.

This is not the first time the Russians have balked and failed to unite wholeheartedly in the establishment of world peace. As in previous instances, there probably is a way to cure this new trouble and menace to peace efforts and unity among the United Nations.

Once before, when it seemed that a break with Russia could not be avoided and the matter had the appearance of hopelessness, a solution was found without difficulty. The late President Roosevelt sent Harry Hopkins to Moscow as a pacifier. His efforts were attended by complete success. The Russian leaders had confidence in Hopkins. They believed in him and trusted him.

The result of the Hopkins visit was that a break with the Soviets was avoided. A similar move by President Truman, at this time, probably would have just as valuable results as did the Hopkins visit.

The right person, if sent to Russia by President Truman, might be able to bring the Russians to an understanding and agreement with the other world powers. If so it would clear up a situation that threatens to nullify everything that has been accomplished by the United Nations up to this time.

Probably there is in the United States no one more able to accomplish such a mission of peace to Russia than our former Ambassador to Moscow, Joseph Davies. He understands the Russians. They have the utmost confidence in him. He was a most successful representative of this country in Russia during the period of his ambassadorship.

While in Russia Ambassador Davies was greatly helpful to the Soviets in many ways. He made friends there and still has friends there. He assisted the Russians at a time when they were in dire need of help. There is no reason to believe that they have forgotten this assistance or have become ungrateful.

Davies probably could sell the Russians on the idea that they should remain loyal members of the United Nations Organization. If so, the irritating situation could be cleared quickly and finally.

If Davies is not the person to clarify the Russian-Iranian trouble, then certainly there is someone in the United States who could do the job. It is important and urgent.

We have failed to view the Russian threat in this light. It is time we were doing so. There is great danger in any situation that might plunge the world into another war.

AWARD OF LEGION OF MERIT TO CAPT. JOHN S. DELANO, UNITED STATES COAST GUARD RESERVE

Mr. RADCLIFFE. Mr. President, one of the most interesting and highly significant developments of our war program was the remarkable manner in which many organizations and persons trained to do highly specialized work were able successfully to place their services at the disposal of the United States Government. Often these became incorporated bodily into some branch of the armed forces where their technical knowledge and efficiency were invaluable factors in the success of our war effort.

I have in mind one such organization and its leader in illustration of the point which I have just made. I have reference to the American Pilot's Association and its very able president, Capt. John S. Delano.

The association, in war as in peace, demonstrated its high efficiency under its president, Captain Delano. The splendid record which he made as a part of our armed forces is brought out in the letter to Captain Delano from Rear Adm. L. T. Chalker, Acting Commandant of the United States Coast Guard, on November 30, 1945, which reads as follows in reference to an entirely merited award of the Legion of Merit:

UNITED STATES COAST GUARD,
Washington, D. C., November 30, 1945.

To: Capt. John S. Delano, USCGR, Coast Guard Headquarters.

Subject: Letter of appreciation.

1. Upon your separation from the service I wish to express to you on behalf of the United States Coast Guard my deep appreciation for your loyal and assiduous devotion to duty.

2. You served as special assistant on pilot control in which capacity you were directly responsible for the successful administration of the pilot control program of the United States Coast Guard. The responsibility for the safe pilotage of ships and convoys in and out of the ports of the country was delegated to the United States Coast Guard. This service, after studying the problem, concluded that the most expeditious manner in which this assignment could be carried out was to invite the members of the American Pilots Association to become an integral part of the Military Establishment for the duration of the war.

3. You graciously accepted the call of the United States Coast Guard on behalf of the American Pilots Association, of which you were president, and from December 1942 until December 1945 the pilots, their boats and equipment were at the disposal of our country. You were placed in over-all command of pilotage operations in the ports of the country. Without your profound knowledge, outstanding leadership, ability, and tactfulness the remarkable record of moving thousands of ships and convoys without delay or accident could not have been achieved. You contributed immeasurably to the final victorious consummation of World War II, and you are accorded the highest praise for the honor which you have brought to the United States Coast Guard and to your country.

4. In view of your outstanding record and achievement it was with great pleasure that I have forwarded to the Secretary of the Navy a recommendation that you be awarded the Legion of Merit.

5. On your departure I hope that you will express to each and every pilot my sincere thanks for the excellent manner in which all pilots throughout the country executed their appointed assignments.

L. T. CHALKER,
Acting Commandant.

THE OUTLOOK FOR PEACE—ADDRESS BY SENATOR FULBRIGHT

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an address on the subject The Outlook for Peace, delivered by him on March 5, 1946, to the Canadian Club, Ottawa, Canada, which appears in the Appendix.]

PROMOTION OF INTERNATIONAL GOOD WILL

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an editorial entitled "Better Currency than Gold" from the New York Herald Tribune of March 14, 1946, and an editorial entitled "Changing Cannons to Cultural Currency," from the Christian Science Monitor of March 2, 1946, which appear in the Appendix.]

FEDERAL WORLD GOVERNMENT—RESOLUTION OF OGDEN (UTAH) ROTARY CLUB

[Mr. MURDOCK asked and obtained leave to have printed in the RECORD a resolution favoring the creation of a Federal World Republic, adopted by the Ogden (Utah) Rotary Club, a news article on the subject matter, and a telegram concerning it, which appear in the Appendix.]

HON. ROBERT E. HANNAGAN—ARTICLE BY RUFUS JARMAN

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an article entitled "Truman's Political Quarterback," written by Rufus Jarman and published in the Saturday Evening Post of March 2, 1946, which appears in the Appendix.]

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Louisiana [Mr. ELLENDER] for himself and the Senator from Minnesota [Mr. BALL].

The THOMAS of Utah obtained the floor.

Mr. HILL. Mr. President, will the Senator yield to me to suggest the absence of a quorum?

Mr. THOMAS of Utah. I yield.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Downey	Huffman
Austin	Eastland	Johnson, Colo.
Bailey	Ellender	Johnson, S. C.
Ball	Ferguson	Kilgore
Bankhead	Fulbright	Knowland
Barkley	George	La Follette
Bilbo	Gerry	Lucas
Brewster	Gossett	McCarran
Briggs	Green	McClellan
Buck	Guffey	McKellar
Bushfield	Gurney	McMahon
Byrd	Hart	Magnuson
Capper	Hatch	Maybank
Carville	Hawkes	Millikin
Chavez	Hayden	Mitchell
Connally	Hickenlooper	Moore
Cordon	Hill	Morse
Donnell	Hoey	Murdoch

Murray	Russell	Tunnell
Myers	Saltonstall	Tydings
O'Daniel	Shipstead	Vandenberg
O'Mahoney	Smith	Walsh
Overton	Stanfill	Wheeler
Pepper	Stewart	Wherry
Radcliffe	Taft	White
Reed	Taylor	Wiley
Revercomb	Thomas, Okla.	Willis
Robertson	Thomas, Utah	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Arizona [Mr. McFARLAND] is detained on public business.

The Senator from New York [Mr. MEAD] is absent on official business.

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Iowa [Mr. WILSON] is absent because of illness.

The Senator from North Dakota [Mr. YOUNG] is necessarily absent. He is absent by leave of the Senate.

The Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], and the Senator from North Dakota [Mr. LANGER] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is attending the Conference of the International Bank and Monetary Fund as an adviser.

The PRESIDENT pro tempore. Eighty-three Senators having answered to their names, a quorum is present.

Mr. THOMAS of Utah. Mr. President, yesterday when the Acting Chaplain offered his prayer he uttered one sentence which seemed to fit the occasion and the subject which is before us for discussion. He said this:

May we so completely give the best we have and are that those who come after us will have a decent world in which to live because of justice and fairness for all.

Mr. President, it is not only with a degree of pride, which I am sure my colleagues who are associated with me will forgive me for saying I have, but also with a sense of the emotional that I point out that in coming before the Senate in behalf of the pending bill which proposes to amend the Fair Labor Standards Act I come full of the spirit which I had when that act became a law. I come, furthermore, with an understanding and thankfulness for the good that has come to the thousands and thousands of our people by reason of that act.

Mr. President, the pressures, the lobbies, the influences brought to bear upon us, the struggles we had to go through, the promises which had to be made in order to bring the Fair Labor Standards Act into being, remind us of the tense differences in regard to fundamental theories that exist in our land. The interesting thing to note is that that act itself is not challenged today. Because of these circumstances, in my few remarks I wish to give a slight historical review of what has taken place since that act became law. Remember that every argument which I have heard made against the amendment proposing

a 65-cent minimum was made with equal force and vehemence against the 25-cent standard which was provided when the act became law.

For more than a century our Nation has vibrated from repeated attempts to improve standards of labor. The movement has been a steady, continuous one, and has included attempts toward restrictions on the employment of women and minors in certain industries and occupations, measures for safety from industrial accidents, workmen's compensation, reductions in the basic hours of work, and minimum wage regulations.

If Senators who are interested in the history of this evolutionary movement will go back and read what the opposition to every one of those changes in our social and economic life was, they will be surprised beyond words to find that the opposition always ended with a sentence somewhat to this effect: "The aim of this legislation is proper; no one can talk against bettering conditions; but the legislation is absolutely impracticable. It will destroy business. It will cause business to go out of existence and bring about conditions which will be destructive to the welfare of our people." That argument was made every time, without exception.

I am proud to say that in my own State of Utah there was enacted the first limitation on hours of labor in mines. A case involving that act reached the Supreme Court of the United States. I remember that as a youngster I heard the arguments in regard to that act. I recall the case which went to the Supreme Court. It hinged upon the question of personal liberty. It was argued that the act deprived men of a constitutional right and privilege. The logic was thoroughgoing. One reads with interest the arguments of the attorneys in that case. The case involved a man who wished to work for 12 or 13 hours. The State stepped in and said, "You may not do it. You may work for only 8 hours." That seems such a patent infringement upon personal liberty that one is not surprised that the case reached the Supreme Court. But the Supreme Court—thank goodness for those men—realized that other factors were involved, and handed down its decision in accordance with the other factors.

The question of this type of legislation depriving individuals of their liberty is a moot question today, thank goodness, and a question which is no longer argued. That is a gain for the constitutional growth and development of our land.

In the particular field of minimum wage legislation there has been a long and interesting series of events. Sweatshop conditions in the last two decades of the nineteenth century called attention in dramatic fashion to the need for legislation protecting workers from exploitation. Various groups, including factory inspectors, State and Federal legislative groups, and the Consumer's League, pointed warningly toward the conditions, and in 1892 Congress ordered an investigation of sweatshops in sev-

eral large cities. The committee reported:

Wages (in sweatshops) average from 25 to 33½ percent less than in the larger shops, and as to hours there is practically no limit, except the endurance of the employee * * * the hours of labor under this system rarely being less than 12, generally 13 or 14, and frequently 15 to 18 hours in 24. * * * A large proportion nearly, if not quite one-half of all clothing worn by the majority of our people is made under conditions * * * revolting to humanity and decency.

Those are the words of a congressional committee. In recommending a Federal law to regulate sweatshops, the committee pointed out that—

So long as interstate commerce in this regard is left free, the stamping out of the sweating system in any particular State is of practically no effect, except to impose peculiar hardship upon the manufacturers of that State.

In 1909 the National Consumers League, struck by the discrepancy between the minimum wage that retail merchants in New York had voluntarily agreed to pay clerks with 1 year's experience—\$6 a week—and the minimum amount needed for a woman to live "in health and efficiency"—\$8 a week—stated:

So grave a discrepancy between the need of the workers and the minimum wage attained in 20 years by the method of organized persuasion calls for new and more effective ways of compelling payment of a living wage.

Between 1912 and 1923 the legislatures of 17 States, including the District of Columbia and Puerto Rico, enacted minimum wage laws to provide women with necessary costs of living, and to protect their health and welfare. Four of the acts—those in Utah, Arizona, South Dakota, and Puerto Rico—were framed to set the legal minimum in all industries under them; the others provided for wage boards to set the minimum, industry by industry.

In 1919, several Pacific Coast States with high labor standards recognized the inadequacy of State legislation to provide any kind of a solution, and recommended Federal regulation of hours of work and minimum wages of women as a more logical and practicable way to solve the pressing problem. However, in 1923, the State laws were held unconstitutional by the Supreme Court in *Adkins against Children's Hospital*, and they became inoperative or enforceable only on a voluntary basis. Reversing a decision of 1917 by a divided court, it was held that the passage of the women's suffrage amendment to the Constitution made the setting of wages on the basis of livings costs without due regard to the value of the services a violation of the due-process clause of the fifth amendment, although both Chief Justice Taft and Justice Holmes pointed out that the passage of the amendment did not change the physical limitations of women. This position of the Court was not reversed until 1937, and in the intervening period the chief advance in wage-and-hour regulation was made in

the field of Federal control, rather than by the States.

The Washington minimum wage law was held constitutional in *West Coast Hotel Co. against Parrish* in 1937. The Court stated that "regulation which is reasonable in relation to its subject and is adopted in the interests of the community is due process."

Two significant events occurred in 1931 in the movement for Federal action. The Bacon-Davis Act was passed by Congress, requiring payment of prevailing wages to laborers and mechanics on Government contracts in excess of \$5,000, and the then Governor of New York, Franklin Delano Roosevelt, instituted a movement for cooperative action among the States in the field of wages and hours, to eliminate unfair competition because of different labor standards. The National Consumers League, the next year, issued another warning:

We have realized that wage levels were sinking, but we had not realized how rapidly wages were being cut—slashed in industry after industry beyond a subsistence level in many cases. We have realized that enforcement of the hours laws was not as good as it had been * * * but we had not realized that industrial standards, built up little by little after years of struggle, are collapsing like card houses under the grim determination of the unemployed to get work at any price.

The National Industrial Recovery Act, passed by Congress in 1933, established codes of fair competition, and set up under the codes definite minimum wage standards which covered perhaps 20,000,000 workers in nearly 600 industries, although the chief coverage was chiefly of plant workers, not office workers. The minimum wage rates varied for different industries, and were as high as 70 cents an hour in construction trades. The NRA, as everyone knows, was held unconstitutional in the famous *Schechter* decision, on the theory that the delegation of such power by the Congress to the President was in itself unauthorized by the Constitution, and also that the regulation of wages in the particular industry involved—the slaughtering of poultry—was beyond congressional control, since it was primarily intrastate in nature.

Following that decision, wage cutting and a general lowering of wages and lengthening of hours resulted in renewed demands to establish fair labor standards. The Chief Economist of the Bureau of Labor Statistics, after studying wages in six industries, concluded that:

The most important relationship that held in each of the six industries studied is the competitive advantage that accrued to those who cut wages more than the average or advanced them less than the average. In each of these industries the employer who cut wages gained, as he had hoped, relative to the man who did not.

The Walsh-Healey Public Contracts Act, passed in 1936, regulated hours of work and required payment of prevailing wages for workers employed on government contracts in excess of \$10,000; but aside from abortive attempts at State action, little progress had been made. By 1939 there were still 22 States

without any minimum wage legislation, and most of the laws passed applied only to women and minors. In two States, Oklahoma and Connecticut, the acts applied to men, as well. Under the laws providing for action by wage boards, industry by industry, the occupations and industries for which boards had not been appointed remained free from any minimum-wage requirements, and the standards set in the local laws varied widely from one State to another. The inadequacy of State action was apparent to all students of the problem. The general secretary of the National Consumers League, which had been advocating State labor laws for 50 years, stated that State legislation was not sufficient. He said:

Only an authority with power to reach beyond State lines can deal with this situation. Industry and commerce are conducted without reference to State boundaries. Every map showing production areas carves States into pieces and combines sections of adjacent States. There is also competition between areas for markets for the products of their industries. Substandard labor conditions prevailing to any great extent in one area tend to drag down standards in other sections.

Indications from all sides pointed to the necessity for action on a scale large enough to cope with the increasingly acute situation.

On the 24th of May 1937, President Roosevelt sent a stirring message to the Congress. "The time has arrived," he began, "for us to take further action to extend the frontiers of social progress." In his characteristically direct way, he proceeded to recommend that the economy of the Nation be strengthened by increasing the purchasing power of laborers and by providing for maximum hours of work. He discussed the constitutional questions involved, and concluded that Congress unquestionably had the power and the obligation to establish and direct what should be the minimum-wage standards for employees engaged in the production of goods for interstate commerce. He proposed Federal action for the good it would achieve in itself and as a stimulus to further action by the States, to raise the American standard of living, and to help alleviate the conditions responsible for the suffering of "one-third of our population, the overwhelming majority of which is in agriculture or industry (and) is ill-nourished, ill-clad, and ill-housed." In response to this forthright suggestion, bills were immediately introduced in both Houses, by Senator Black and Representative Connery, and exhaustive hearings were conducted, establishing beyond any reasonable doubt the need for legislation along the lines indicated by the President. Varying versions were adopted by the two Houses of Congress, and a conference committee of which I am proud and happy to have been chairman was appointed to work out an acceptable solution to the complex problems involved.

The cumulative result of our effort, Mr. President, became law on June 25, 1938, and is officially known as the Fair Labor Standards Act of 1938. Undoubt-

edly, in its theory and purpose, it is one of the most remarkable and most progressive pieces of legislation to have been enacted since the days of Woodrow Wilson. The Congress found that—

The existence in industries engaged in commerce or in the production of goods for commerce, of labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers (1) causes commerce and the channels and instrumentalities of commerce to be used to spread and perpetuate such labor conditions among the workers of the several States; (2) burdens commerce and the free flow of goods in commerce; (3) constitutes an unfair method of competition in commerce; (4) leads to labor disputes burdening and obstructing commerce and the free flow of goods in commerce; and (5) interferes with the orderly and fair marketing of goods in commerce.

It was declared to be the policy of the act to remedy those evils without substantially curtailing employment or earning power. The methods employed to attain the objectives are now well known, and perhaps need no review. A Wage and Hour Division was established in the Department of Labor to carry out the provisions of the act. The organization of industry committees was directed. Shipment of goods in interstate commerce, where oppressive child labor practices existed, was prohibited.

Mr. President, I must digress here for a moment. We all know of the years of struggle through which our country has passed in attempting to abolish child labor. We know of the failure of the constitutional amendment which was designed to do away with child labor. It is because of the Fair Labor Standards Act of 1938 and the administration of that act that we are able to say, with thanks, that child labor in its old, wicked, and oppressive aspects has disappeared from our fair land. No one regrets its going—not even those who once were opposed to the legislation.

Minimum wages were established at 25 cents an hour for the first year, 30 cents an hour for the next 6 years, and 40 cents an hour thereafter, with the provision that the Administrator of the Wage and Hour Division, through consultation with the industry committees, could increase the amount to 40 cents before the 7 years had elapsed. The workweek was set at 44 hours, to be reduced 2 hours a year until 40 hours was reached. Large segments of employees were exempted from the provisions of the act, some because of the obvious impossibility of its application and some, notably agriculture and related industries, because of the request of their leaders. President Roosevelt's ideas were approved by the Supreme Court, and the constitutionality of the act is now unquestioned. Indeed, its theory has been considerably extended, and the Court has implied that Congress has not broadened the application of the act to the extent of its constitutional authority. In other words, the Supreme Court of the United States itself invites the very legislation which is now being proposed.

Our experience with this law has demonstrated its inadequacy in two respects.

First, less than half of the workers of the country are covered under its provisions. Its extension to the fields in which the Congress has authority to act, not covered by the present law, is necessary for continuous economic and industrial growth. Second, the minimum-wage standards are grossly inadequate. Changes in our economic picture since 1938 demand that the statutory minimum be raised to 65 cents per hour. Senate bill 1349, the bill under consideration, proposes to remedy these deficiencies.

If it is admitted that the Fair Labor Standards Act is a good law, that it is needed to prevent the sweatshop and the many evils therewith connected, it is difficult to understand upon what rational basis its application should be denied to all the workers over which Congress has constitutional power. Are we willing to admit that it is wise to set a minimum standard for half of the Nation's employees, but that we need have no concern over the economic plight of the other half? The basis for democracy ceases to exist if we follow such a course. Approximately 20,000,000 of more than 40,000,000 workers are, at the present time, entitled to the protection of this law. The Supreme Court has recognized that the present coverage does not exhaust the power of the Congress under the Constitution to arrange wages and hours of employees engaged in the production and distribution of goods in interstate commerce. It is precisely in the areas to which the law has hitherto been applicable that the greatest need lies for protection. Congress should no longer permit a perpetuation of the evils which the statute condemns for failing to assume its responsibility in the field where it has unquestioned jurisdiction.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. WILEY. I understood the Senator to state that the present law would operate with respect to 40,000,000 workers. I wonder how many of that number are at the present time receiving less than 65 cents an hour?

Mr. THOMAS of Utah. When we held hearings on the subject of the white-collar workers it was estimated that there were between 20,000,000 and 25,000,000 "forgotten persons," as they were termed at that time, who were not covered by fair labor standards. That is the only statistic to which I can now turn. In that number were included many who, at the time, were receiving more than 40 cents an hour. I do not know exactly how many persons would be affected. I have statistics which I expect to present later which have been based upon estimates.

Mr. WILEY. It is my understanding generally that union labor throughout the country is now receiving more than 65 cents an hour. Am I correct?

Mr. THOMAS of Utah. I believe that organized labor generally will not be affected by the proposed changes in the present law, either with respect to hours or with respect to wages. The need of the act was apparent to everyone who

realized that organized labor itself was in a position to take care of itself. Organized labor was being better paid and was less exploited than were the great mass of workers who had no representation, and were not organized at the time the fair labor standards act was enacted.

Mr. WILEY. The Senator has stated that the law would apply to 40,000,000 persons. That means that there is a class of people outside the 40,000,000 to whom the law would not apply. Has the Senator any figures as to how many are included in that class?

Mr. THOMAS of Utah. I believe that it was assumed during wartime that the peak of employment reached in the neighborhood of 51,000,000 or 52,000,000 persons. I do not know exactly what the number was. It is assumed that 40,000,000 of those persons are taken care of by some kind of law, collective bargaining, or organizational representation. I do not know how many are dependent absolutely on the Fair Labor Standards Act, but I do know that there are in the neighborhood of between twenty and twenty-five million persons who need some kind of help and aid from the Government in order to adjust their unfavorable wage condition which existed at the time we conducted hearings in respect to white-collar workers.

Mr. WILEY. By that statement the Senator means that there are between twenty and twenty-five million persons who would come within the purview of the commerce clause, and that the law would operate with respect to them.

Mr. THOMAS of Utah. Yes; I assume that the persons engaged in commerce or engaged in producing commodities which enter into commerce may perhaps be as many as two-thirds or four-fifths of all persons employed.

Mr. WILEY. I thank the Senator.

Mr. THOMAS of Utah. Mr. President, I have been handed by one of the committee aides a part of the committee report which will, I believe, answer quite accurately the Senator's question. There is no way of answering definitely any question of this nature because it is impossible to obtain reliable statistics. Based on the present coverage of the act, approximately 4,200,000 employees would receive increases as a result of the adoption of a 65-cent-an-hour minimum wage rate, and approximately 6,400,000 as the result of a 75-cent-an-hour minimum wage rate, as shown in table 1:

I may say that the difficulty arises from the fact that because of the demand for employment in war industries and in all other industries as the result of the war activity, many persons who are now receiving more than 40 cents an hour would not otherwise receive it. The threat of having their wages reduced is one thing which keeps these persons anxious. Other statistics which bear upon this subject show that 4,180,000, or 21 percent, would be benefited by the 65-cent minimum; 5,135,000, or 26 percent, would be benefited by the 70-cent minimum; and 6,390,000, or 32 percent of this type of labor, would be benefited by the 75-cent minimum.

Mr. WILEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Utah yield further to the Senator from Wisconsin?

Mr. THOMAS of Utah. I yield.

Mr. WILEY. I thank the distinguished Senator for that information. As I recall, the bill would mean that about 4,300,000 would have their wages raised.

I have received as, of course, every other Senator has, a number of telegrams, and not being on the committee to consider this matter, and having plenty to do with matters before my own committees, I am merely seeking light on the subject to guide me in determining how I should vote. I should like to ask the Senator one or two more questions relating to this subject.

I have a telegram in front of me that seems to state some of the objections.

First, it says that the passage of this bill would mean more pressure toward inflation.

Is there any information as to how much in the aggregate in the case of the 4,300,000 workers the increase would amount to?

Mr. THOMAS of Utah. Does the Senator mean money inflation?

Mr. WILEY. Yes.

Mr. THOMAS of Utah. I do not know; but it can be readily calculated. If 4,000,000 people have their wages increased by the difference between 40 cents and 65 cents, the increase can be easily determined.

I shall talk about inflation later on, not as I view it but as scores of witnesses who appeared before the committee viewed it, and not in accordance with statistics, but in accordance with my own observations concerning the subject.

Mr. WILEY. I should like to have the Senator's reaction to another objection. It is stated that it would deprive low-productivity workers of employment.

Mr. THOMAS of Utah. That is an argument which has always been used but is an argument which, in the light of experience, is fallacious. That is the only way I can answer that question.

Mr. WILEY. Then, there is another objection stated, namely, that it would prevent the manufacture of many products and result in lower employment.

Mr. THOMAS of Utah. The two arguments or objections are identical. They were used against the original act. The argument has always been used against an increase in wages that it is impossible to do business if too much has to be paid for labor. That has been said since the beginning of what we call our modern industrial life.

Mr. HAWKES. Mr. President, will the Senator from Utah yield to me for a moment?

Mr. THOMAS of Utah. I yield.

Mr. HAWKES. I should like to suggest—and I am sure the Senator from Utah will agree with me—that there is a point where, if wages were raised to that point, certain businesses of value to the country would be definitely stymied and stifled or closed up. The opinion of the Senator is that 65 cents is not that point,

but he certainly will admit that there is a point where certain small businesses could no longer continue to exist if there was fixed a wage rate that would not permit them to operate in making their particular product without loss.

Mr. THOMAS of Utah. Mathematically, of course, that is so. For instance, if I have a business and make a profit of \$100 a week and wages are raised to \$125 a week, I would not only make no profit but, merely considering the one factor, I would lose \$25 a week. That is arithmetic and I shall not argue against it.

Mr. HAWKES. I think the Senator from Utah will admit that he does not know where that point is, and neither do I.

Mr. THOMAS of Utah. I thoroughly agree with the Senator.

Mr. HAWKES. If that be so, since we are all deeply interested in this subject, which is very important to our country, I should like to leave this thought with the Senator from Utah: How can a legislative body fix a rigid rule that deals with the economy and the economics of business for a period of years when we do not know what is in front of us?

Mr. THOMAS of Utah. There is no way of fixing such a rule. The logic of the Senator from New Jersey is perfectly proper and sound. The only thing, I may say in reply to the Senator, is that we have fixed such a rule in the past and it has not destroyed industry. Adjustments have been made to conform to it. I would go further and say—and I am sure that the Senator from New Jersey will agree with me because our social outlooks naturally are the same—if there is a business, large or small, in the United States of America which is dependent upon the exploitation of labor for its existence, I say it should go out of existence.

Mr. HAWKES. I agree 100 percent with the Senator on that point. The only suggestion I wish to make for the Senator's consideration is that the bill proposes a terrific jump. It does not bother me, because I have always paid 20, 30, or 40 cents an hour above the prevailing wage standards fixed by law and am 45 cents above it today. I believe in wages adequate to afford decent living standards to workers. I do not believe an employer can get much out of a worker who is undernourished or whose mind is continually disappointed with his outlook; but I feel very strongly that the jump from 40 to 65 cents, and the jump in the future to 75 cents is rather extreme when we consider the fact that the world is in a state of flux, and none of us knows what is going to happen in this country, nor do we know very much yet about what our relationships and competition with other countries of the world will be.

I think that is something to which the Senator from Utah must have given much thought, and it is a consideration that is in my mind all the time. I have found in my business that if I have an objective ahead of me it is better not to move too rapidly toward the objective but approach it step by step, note the results, test it out, and take soundings to see whether there are rocks in the water

against which one may split his head. I believe in moving steadily forward step by step. I have found that is the most satisfactory way and it is more apt to bring success in reaching the desired destination. I do not think there is much difference of opinion as to the objectives between any of the Senators on this matter—the difference is related to how free men can reach or attain their objective.

Mr. THOMAS of Utah. The Senator from New Jersey in his argument has completely justified the minority views, and is thoroughly consistent with what the minority views set forth. In the first part of his argument—

Mr. HAWKES. I have not even read the minority views, and if I have justified them I have done so from my own personal experience in life.

Mr. THOMAS of Utah. I agree with what the Senator has said about going forward surely instead of by doubtful and uncertain methods. Everyone is in favor of that. I should like to say though in the light of the Senator's statement, that the argument made is identical with that made in 1937 and 1938 when the Minimum Wage Act of that period was considered.

From the standpoint of arithmetic, on a percentage basis, the jump is not greater than that in the earlier act, even if we were raising wages from 40 cents to 65 cents which we are not doing, of course, any more than in the previous act we were raising wages from 10 cents to 25 cents, if all the workers in America received 10 cents an hour in wages, which some actually did receive in 1937.

Mr. HAWKES. Much to the disgrace of anyone in business who claims to believe in fair treatment.

Mr. THOMAS of Utah. And much to the surprise of nearly every member of the committee. We were shocked to hear it. But the type of work exacted, small contract work, where one would take work home and labor on it, resulted in a wage of between 10 to 15 cents. The percentage jump from 10 to 25 is actually greater than the jump from 40 to 65. But I presume that argument means nothing.

Mr. HAWKES. It does mean something. But I know the Senator will agree with me that we can make a larger percentage jump when we are down to almost nothing, than can safely be made after we have gotten considerably higher, and the jump may take us into the wrong hurdle—too high a guaranteed wage.

Mr. THOMAS of Utah. That is true.

Mr. HAWKES. I wish to thank the Senator from Utah very much for permitting me to interrupt him.

Mr. THOMAS of Utah. Under the laws of physics when one starts falling he goes a little faster just before he reaches the ground than when he starts. The thing works both ways, and such illustrations can be given as have been suggested. If the bill were a measure dealing with pure arithmetic and pure economics, on the dollar-and-cent basis, such arguments could be made and justified. Basically, the bill is a social bill. It is a bill which comes into being because some elements in our society believe that certain conditions are bad and they are trying to rectify them.

Mr. WILEY. Mr. President, will the Senator from Utah yield?

Mr. THOMAS of Utah. I yield.

Mr. WILEY. I agree fully with the last statement, that the bill has back of it a tremendous social implication.

I wish to ask the Senator a question which was provoked by the statement of the Senator from New Jersey. Is there any provision in the bill whereby the Government, or the people of the country, would be protected in case of a great emergency of some kind, when it might be to advantage to reduce the minimum wage? Could that be done? We know that the mere payment of money is no criterion of a wage. The criterion of a wage is what money will buy.

I can well remember when as a young man I worked in the sawmills of my State for 15 cents an hour, and at that time butter was selling for 10 cents a pound and potatoes for 11 or 12 cents a bushel. The \$1.65 I made would buy possibly a great deal more than the wages paid today would buy of equivalent merchandise.

What I have in mind is that, as the Senator from New Jersey has said, we are living in a period of flux, and we do not know what conditions will arise tomorrow. We do not know what is ahead of us on the domestic scene or on the foreign scene. Are we now establishing a definite, fixed basis so that manufacturers on a Nation-wide scale might be interfered with in a great national emergency? In other words, the time might come when employers could not pay the minimum wage, and therefore, rather than violate the law, they would shut down, which would mean widespread unemployment.

What I am getting at is this: Is there a possibility of putting some flexibility in the law, so that in case of a national emergency the President, or other appropriate agency, could set the law aside temporarily, or something of that kind?

I do not know whether I have made myself clear, but I think we must be careful, because the Lord only knows what is ahead of us, and we are asked to freeze all our great business in this country to the level proposed. In my humble opinion, 65 cents an hour is not an excessive wage. But that is not the point with me. The point is that we are saying that employers cannot pay 64 or 64½ cents an hour without being criminal.

Mr. THOMAS of Utah. There is no provision in the amendment and no provision in the law for changing the standards. The Senator will remember that during the wartime many amendments were offered in an attempt to do away with the provisions of the Fair Standards Act regarding wages and regarding hours, on the theory that that act came into existence for the purpose of spreading employment, and that when there was little unemployment the act should be done away with.

As a Nation, we turned our backs upon that suggestion, and I am very happy that we did. We kept the standards, because, I repeat, the basis of the proposal here is not 40 cents an hour or 65 cents an hour, but it is the human equation. Although an attempt was made during the war to change the law, even the Executive orders issued with regard

to labor were made consistent with the national law and the Fair Labor Standards Act. So the answer to the question is that there has not been an opportunity to do what the Senator suggests, and there will not be an opportunity to do what the Senator suggests under the proposed amendment to the act.

Mr. WILEY. Mr. President, will the Senator yield further?

Mr. THOMAS of Utah. I am glad to yield.

Mr. WILEY. I have no doubt in my own mind that for 2 or 3 years, if the world remains at peace, the tremendous demand on the domestic front will be such that the high wages we pay compared with the wages other nations pay will make no difference, because the demand will be here. But we have seen in America, when there was no market, what might be called overproduction. We will be searching the world for markets 3 or 4 or 5 years from now; in fact, we are going after them now. I can foresee a time when perhaps it will be advantageous to the citizen himself, if he can buy his goods at lower prices, to take a 50 cents an hour wage instead of 75 cents, and it might be of advantage to the general welfare to have that condition. Yet there is no flexibility in the proposal we are considering.

I trust I have made myself clear. Every time one attempts to rationalize he is called a Tory, or some similar name. My purpose is to try to find a mechanism which might meet an emergency, and that is what my question was about.

Mr. THOMAS of Utah. The Senator from Utah would never call the Senator from Wisconsin a Tory. The Senator from Utah is extremely happy, as a Democrat and as a student of Democratic arguments over the years, to realize that the Senator from Wisconsin, a great Republican, is at last getting around to seeing things as the Republican Party should have seen them in the nineties and the eighties of the last century. I congratulate the Senator from Wisconsin, instead of calling him names.

Mr. WILEY. If the Senator will yield, I wish to say that, while I appreciate his kind words, I realize that in the last 12 or 15 years there has been a great deal of blindness throughout the world, and that the members of the Republican Party were not the only ones who should have had the blinders taken from their eyes. The condition of the world at present indicates that we got into the present mess because we did not have the mechanism to take care of the situation as it arose.

I come back to the original proposition. We are about to pass a law which provides for a wage of 65 cents for the present, to be 75 cents in a year or two, and we say, "Mr. Manufacturer, if you pay less you are a criminal," no matter what world conditions may be, no matter what domestic conditions may be. I think now is the time to look ahead and to realize that there may be a little change in conditions. I say that without any thought of injuring labor. That is not my objective. My objective is to try to keep the wheels of our economy going, no matter what conditions may

arise. Again I thank the Senator for his kind words.

Mr. CARVILLE. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. CARVILLE. I have been intensely interested in the statement just made with respect to the establishment of a 40-cent minimum wage. In that connection I should like to make the observation that when the emergency is over, and we return to what may be called normal conditions, we shall be found to be living on a higher plane than was considered to be normal prior to the war. I think wages are going to be higher and living standards are going to be higher. So after the emergency is over, we shall have to adjust ourselves to that normal stage which will be, in my opinion, on a higher plane than before, and I think the 65-cent minimum will fit into the picture as we shall see it at that time.

I should like to make the further observation in connection with the remarks just made by the Senator from Wisconsin [Mr. WILEY], that if, as he suggested, the bottom were to drop out, Congress would always be in a position to change the law and adjust its terms to the conditions which might prevail at that time.

Mr. THOMAS of Utah. I thank the Senator from Nevada for his contribution.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. HAWKES. I shall not detain the Senator much longer, but I should like to say, in view of the statement just made, that I hope we will never get into such a position that plants will have to shut down for 6 months while Congress is making up its mind.

I should like to give to the Senate an illustration of what I have in mind. I have had some very remarkable experiences with and have the deepest faith and confidence in workingmen and workingwomen. I think they are one of the finest and greatest assets we have in America. I want to state an experience I had in order to illustrate what the Senator from Wisconsin was speaking of in following up the point I made in respect to fixing an inflexible minimum wage at a high level, not knowing what stones there may be in the path ahead of us.

I once raised the wages of the employees in our company, without any request on their part to do so. At one plant—I think this is well worth noting—a meeting was held and the collective bargaining committee asked me to confer with them. They knew I was coming down into Maryland to their plant. They said to me, "Mr. HAWKES, we appreciate this raise. We want it. It is a fine thing. But can the company afford to pay it?"

I said, "What do you mean, can the company afford to pay it?"

They said, "Can the company afford to pay it under all the conditions confronting us and keep our cost of production down, so we will get our share of the business in competition with other manufacturing plants?"

I said, "Why do you ask that?"

They said, "Because if we cannot get our share of the business under such

conditions, we would rather keep the old rate of pay, and know we shall continue to have our jobs, than to receive this increased rate of pay which might put us out of our jobs."

That incident illustrates the point I had in mind, and I believe it illustrates the point the Senator from Wisconsin had in mind.

I told those men that the company could afford to do it, that we wanted to do it, and we did it, and we have never since then gone down in our wage rates. We have continually gone up from that point.

Further to illustrate the type of cooperation I have always received from working people in the plants I will say that out of 3,800 employees in those different plants at that time I received letters from more than 1,000 of them in which they said, in effect, "We are glad we are working for a company that thinks of the welfare and interest of its employees, and we want to assure you, Mr. President, that the raise which has been granted us will not cost the company a cent."

I shall now tell the Senate of one of the most remarkable experiences I have had in my life. That 10-cent-an-hour increase did not cost the company a nickel. The workingmen reduced the cost of production of the product so that that increased pay was absorbed by reason of increased efficiency and cooperative work on the part of the workmen.

I tell that story, Mr. President, to illustrate that I believe in doing the right thing, and when I am arguing about whether we should fix this inflexible wage rate far ahead into the future, without giving any consideration to all the unknown equations throughout the world, I am thinking of the welfare of our American workers and our people generally. The only difference between the Senator from Utah and me on this subject is that I want to be a little bit more careful, and the Senator from Utah feels in his own mind and heart undoubtedly that what he is recommending is safe.

Mr. THOMAS of Utah. Mr. President, I want to thank the Senator from New Jersey for his splendid remarks on applied Christianity.

Mr. HAWKES. I believe in applied Christianity.

Mr. THOMAS of Utah. It is extremely gratifying to have testimony offered that applied Christianity works even in an economic way. If all employers had treated their employees and if all employees had treated their employers in the same way there, of course, would be no need of this legislation. But this legislation and the act of 1938 have come about as the result of absolute need. State laws had failed. Twenty-two States had refused to do anything at all. It was necessary that there be a change in our interpretation of the commerce clause of the Constitution in order to bring those who turned their backs on what we call applied Christianity around to the point where they were willing to practice a little bit of it. That is the sad side of the story of industrial labor relations in the United States. There are many institutions which have never had a strike, which have never had any trouble. My own father's business con-

tinued through more than two generations. He never discharged a soul. I do not know why. He did not even dismiss his own son, which is quite remarkable in the light of all that has taken place. But the trouble with our growth in this industrial age has simply been that labor has been removed farther and farther from the employers. In America employer-labor relation problems cannot be adjusted simply by marrying the boss' daughter. It is impossible to adjust such problems in that way. Much as we would like to retain the fine old Jeffersonian scheme of government, government must step in.

Mr. HAWKES. Mr. President, will the Senator again yield?

Mr. THOMAS of Utah. I yield.

Mr. HAWKES. I want to thank the Senator from Utah for his remarks. I shall not take much more time. I wish to say that in my 52 years in business I have never had a strike against any company with which I have been connected. The only strike that ever was called occurred in 1938 because two unions began fighting amongst themselves, and they shut the plant down while they were settling their own problems. So I am a believer in the idea that if the employer can keep his hand on the pulse of his workers he can stop a good many of the difficulties which ordinarily arise.

I think the Senator from Utah has raised a very interesting point. In companies employing 200,000 or 300,000 or 400,000 employees the employers cannot be close to their workmen. But the employers can establish a policy of teaching the foremen and superintendents in each of the plants to do in the respective plants what I have done in my business throughout the United States. I think that is more important than fixing a minimum wage.

Mr. THOMAS of Utah. Mr. President, I grant 100 percent that that is more important.

Mr. HAWKES. I hope the day will come when almost all employees will have their wages related to cost of living on a fair basis, so there will not be more than 25 persons in the United States who will be affected by the Fair Labor Standards Act establishing minimum wages.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. TUNNELL. In what I am about to say I am not referring to the Senator from New Jersey, and I do not want him to think so, although yesterday on the floor of the Senate I referred to a Senator whose standard of wages was much higher than the minimum. I was then referring to the Senator from New Jersey, though, as I recall, I did not name him. What bothers me is not only the fact that there might be 6 months when a factory might be closed down. I am thinking of the 6 years when the employee might be almost in a starving condition, as we found so many of them to be. I wish to place near that comment the thought that there is another side to the question. The thing which the people must recognize is that, as consumers, they must pay enough to permit

the producer to pay a living wage to the employees upon whom he depends.

Mr. THOMAS of Utah. I thank the Senator from Delaware.

Mr. WILEY. Mr. President, will the Senator from Utah yield?

Mr. THOMAS of Utah. I yield.

Mr. WILEY. Let me illustrate the feature of flexibility by an incident from my own experience. When I was a young man some Chicago capitalists built a great river development in the north country. They constructed a large pulp mill. It was my good fortune as a young practicing lawyer to be attorney for the company. The First World War came, and following that, hard times. The company had built a beautiful village. For 2 years it continued to go into the red. One of the fine experiences of my life occurred there as attorney for that company. The company union, hearing of the financial condition of the company, which had been losing money, sent its representatives to me. They said, "We have talked this thing over, and an idea has occurred to us. We want to know if you think it would be feasible. We understand that the company cannot take the gaff much longer. Everything we have is in our homes in this little village. We want to suggest that we take a cut of 10 cents an hour." I do not know exactly what their wage rate was, though, as I recall, it was 30 or 35 cents an hour.

The employees accepted a reduction; and their action was of such a stimulating character that the stockholders took action and raised additional money. Today that community is one of the fine little towns in Wisconsin. In the course of 2 years the reduction of 10 cents an hour which the employees accepted over a period of several months was paid back to them.

Mr. President, if the minimum wage were 65 cents an hour, under the provisions of this bill, if a company permitted its employees to accept a lower wage, the company would be violating the law. If that had been the situation at that time, there would have been no Cornell, Wis. There would have been no employment. There would have been no wealth continuously flowing from that village.

The only thing for which I am pleading is flexibility in order to enable us to meet the imponderables of the future and the emergencies which may arise. We must not become so mortised in that our economy will not work. That is why I am suggesting to the Senator that he think this question through and consider an appropriate amendment which would permit the President of the United States, in an emergency, temporarily to suspend the minimum wage requirement. We do not know what conditions we shall have to face 2 or 3 or 4 years from now.

Mr. THOMAS of Utah. I thank the Senator from Wisconsin.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. AIKEN. I should like to suggest that in the case which the Senator from Wisconsin mentioned, in which the employees of the company voluntarily accepted a reduction to keep the company

in business, they undoubtedly recognized the need of accepting a lower wage for the purpose of keeping their employer in the competitive field with other employers whose competition he had to meet. If we had a minimum wage of 65 cents an hour, every employer would be assured that his competitors would have to meet that rate. I believe that most employers are now paying more than 65 cents an hour. If the minimum wage were 65 cents an hour, one employer would be on just as good a competitive basis as another, and relatively they would be on the same competitive basis as though the rate were 10 or 15 cents an hour. So I do not believe that the argument of the Senator from Wisconsin is at all applicable in this case. One purpose of the bill is to protect the employer who is trying to pay his employees a living wage against the unfair competition of the employer who is paying his employees as low wages as possible. In a great many cases it is possible for the employer to keep wages at a low level, because an industry may be so located that the employees must accept what is offered them. So the bill would furnish a protection to the employer which would be just as great a benefit to him as the voluntary reduction in wages in the case to which the Senator from Wisconsin referred.

Mr. THOMAS of Utah. I thank the Senator from Vermont for answering the Senator from Wisconsin.

Mr. President, the bill reported by the majority of the committee would be helpful toward the desired goal in two ways: First, it would provide for the direct coverage of approximately an additional 3,500,000 workers, including those in a wide variety of agricultural, fish processing, and canning enterprises, large retail and chain stores, seamen, and others who work long hours and are among the lowest paid in our economy. Second, it would be a stimulus for further State action in the fields where the Federal power does not apply. The Congress is under obligation, Mr. President, to enact legislation having these effects.

Mr. President, the second major change in the existing law is that the minimum hourly wage rate would be raised to 65 cents an hour for the first 2 years, 70 cents during the following 2 years, and after that 75 cents per hour. It is this provision that has received the most attention by the press. There is no doubt, evidently, that some upward revision was contemplated by the original bill, or that an upward revision is now necessary in view of increased living expenses. The views of the minority, as stated in the minority report, are not that some increase in the minimum wage is not imperative, but that we should raise the minimum to 55 cents, then to 60 cents. No provision is made for raising the minimum beyond 60 cents an hour. And what are the grounds of opposition toward the higher wage as proposed by the majority? Strangely enough, it is that a wage of 65 cents an hour would be productive of inflation. No one quarrels with the idea that the capacity of business to pay higher wages has increased, or that the increased cost

of living provides justification in itself for an increased minimum.

No argument is presented to justify the inference that a worker can live decently on a wage of 55 cents an hour. The figures are all the other way. Fifty-five cents an hour means a salary of \$22 a week, or \$1,100 a year. A single person is required to pay approximately \$120 of this amount in Federal income taxes alone, leaving \$980 upon which he would be expected to live if the minority recommendation were adopted. Does anyone presume to suggest that a single worker—let alone a family—can live on an annual salary of \$980? Certainly no such figures came to the attention of the committee. Varying estimates of living costs indicate that the very minimum upon which a family of four can live is from \$1,673 to \$2,964 a year. Of course, what we are trying to do is establish a minimum wage standard, but is there any reason to establish a standard so low that we would permit and encourage the very sweatshop conditions we are trying to prevent by enacting the legislation? Sixty-five cents as a minimum figure is low enough; the assertion that 55 cents would do is as ridiculous as it is fallacious.

So much has been said about the inflationary tendencies of this provision that I feel justified in making some comments along that line. I benefited greatly by having the experience of being in Germany during the time of her great inflationary period and of being in China in the time of her great inflationary period. I was also in France during two inflationary periods; and I was there in 1926, at the time when the French stabilized the franc. Those experiences mean very much to me because I know the purposes of and the consequences behind those three great inflationary movements. For us to assume, as has sometimes been assumed by some of the thinkers of our country, that France, just before the French Revolution, started out on her period of inflation without knowing what she was doing, is utterly ridiculous. The best economic and the best financial minds of the French Government at that time were in charge of France's finances. She started on an inflationary period because there was nothing else to do; the many existing factors, when put together, brought about that action and made it necessary. Inflation was not the cause of the ills of France; what preceded inflation was the cause of those ills. And in this country the cause of the misery following the Civil War was not the paper money, but the things which made necessary the issuance of paper money.

If we were to ask for a definition of the word "inflation," probably no two Senators would define it in the same way. The word is as loose in its scientific and scholarly application as it is in its colloquial application. "Inflation" and "deflation" have been used in the last generation to refer to conditions which have developed in the nations of the world as a result of World War I. Russia's inflation at that time was deliberate. Her purpose was to overcome private property and to destroy it in the way in which the concept of private property was held

under the Czarist regime. That was done both by destruction of the credit of the debt structure and by making valueless, in terms of money, all privately controlled property. There was, of course, leveling as far as debts were concerned. Germany's inflation in the early 1920's was deliberate, also. Her purpose was to overcome debt, and especially the obligations owed by the Government to the people. The easiest way, of course, was to increase the currency to such an extent that the measuring of debt became impossible. It is too soon to analyze the present after-war conditions in Europe, or to do anything but theorize about the question in America.

However, the recollections of those two outstanding examples of a deliberate government process to accomplish given purposes strike terror, and rightly so, into our hearts. But it is manifestly improper to use them as a reason for denying the kind of a pay boost now advocated. To call a socially desirable thing a bad name does not solve anything. The kind of reckless, wild inflation endured by those countries is not accepted as a possibility, under our present controls, by anyone.

There is only one possible definition of inflation which can be used to describe the contemplated action under the bill as recommended by the majority of the committee. That is the very loose and improper use of the word when it is employed to describe a time when there is much money in circulation, in contrast to a time when there is little money in circulation. In that sense, inflation can come only when there is so much money in circulation, in relation to the need for it, that it loses value, or when money itself has no valuable base. No one contends, I take it, that this measure interferes with the present base, so no discussion on that point is fruitful. However, I should like to say a word about the objection which is based on the argument that higher wages mean higher prices, and that, therefore, they are inflationary.

Mr. President, before I begin this part of my presentation, let me say that I trust that no one will assume that I do not understand that when 10 cents is added to 55 cents, it is necessary to pay more than it was before, and to that extent more is paid out. But no one in America has ever been frightened by a little extra spending, or a little extra giving. If we had been frightened by that, of course, we should be frightened over the type of prosperity we have in the United States today as we have never before been frightened in our entire history.

It is well known, Mr. President, that I have supported, from the beginning, the price-control program. If I believed that this proposed minimum-wage program would upset that program I would hesitate to lend my support to it. But I do not think it will; and Mr. Bowles, who has fought for price control as few men have fought for anything in this country in the past few years, does not believe it will. Some of the figures which were presented to the committee are extremely interesting as they bear on this conclusion. Nineteen percent of the

workers in industry have salaries below the minimum rate and would be directly affected by the change. The salary increase would be 2 percent of the straight-time pay roll. It would amount to 3.5 percent of the corporation profits before taxes. Although under the Little Steel formula, wages were not raised more than 15 percent, in 1944 the profits of industry climbed to 323 percent—before taxes—of the 1936-39 average. With the wage increase here proposed, the profits in 1944 would have been 312 percent of the 1936-39 average, or a return of 25.4 percent on net worth in 1944, as compared with a net return of 9.7 percent in the years 1936 to 1939. With the wage adjustment now proposed, there would have been a net return, in 1944, of 24.5 percent. These figures relate to straight time only, and do not consider the premium overtime wages which have been lost and are being lost by workers in almost all industries. The wage bill is being reduced by \$1,877,000,000 by the loss of overtime. The total increase in wages if all workers covered are increased to 65 cents is \$504,000,000. The loss of overtime less the additional cost as proposed by the bill amounts to \$890,000,000.

The five industries affected most by the increase would be tobacco, lumber, textiles, apparel, and furniture. In these industries, a larger percentage of the workers would be affected than in any others, and a somewhat closer examination is worth while. In tobacco, considering 65 cents as standard, 58 percent of the workers received substandard wages. The total wage bill would be increased in this industry by \$14,000,000, which is 11 percent of the 1945 total. Profits in 1944 were \$154,000,000. If the industry absorbed the wage increase, profits would be decreased by 9 percent, but they would still be 22 percent above prewar level, and would provide a return of 17 percent on net worth. If the total increase were put into the price of cigarettes—and in fact only slightly more than half of the tobacco wage bill is chargeable against cigarettes—there would be an increase of about one-tenth of a cent a pack. In the event that this amount could not be absorbed by dealers and wholesalers and had to be passed along to the consumer, that increase would amount to only less than one-seventh of the amount of the Federal excise tax alone.

Mr. HOEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CARVILLE in the chair). Does the Senator from Utah yield to the Senator from North Carolina?

Mr. THOMAS of Utah. I yield.

Mr. HOEY. I know that the Senator is familiar with the fact that the tobacco industry is about the only industry which has not been permitted an increase in the price of its product during the whole period of the war. OPA has constantly refused to allow an increase in the price of cigarettes. The Senator referred to the profits which the tobacco industry had made. Of course, that was on the basis of a large production. The taxes on tobacco have been so greatly increased that the stockholders of all tobacco companies have had their dividends con-

siderably reduced. Take, for example, the Reynolds Tobacco Co. For a long time prior to the war that company paid a dividend of \$3 a share. In my State more widows receive incomes from insurance which has for its source the investment of funds in tobacco stocks than from any other industry. Those widows received \$3 a share prior to the war. Now the dividend has been reduced to \$1.45 because the OPA has not permitted any increase whatever in the price of tobacco. Tobacco has gone from 42 cents to 47 cents a pound. The cost of labor has increased. Notwithstanding these facts, the OPA has constantly refused to allow any increase in the price of cigarettes. If 1 cent a pack or even one-half cent a pack had been allowed, dividends could have been maintained. The situation about which I complain has been maintained at the expense of the small stockholders in the tobacco companies scattered throughout the Nation.

Contrary to what many persons believe, tobacco stocks are not held merely by a few. There are a few who own considerable stock, but, in justice to a great industry, it must be stated that the tobacco industry has borne a greater burden of increase in taxes than has any other industry. Moreover, it has been denied any increase in the price of its product. Why the tobacco industry should be discriminated against, I cannot understand. I believe that the manufacturers of tobacco should be permitted an increase which will enable them to pay dividends to the stockholders in proportion to what they paid for a long period of years prior to the war. Why it has been impossible for them to obtain such a small measure of justice, I have not been able to understand. The tobacco industry is one of the great industries of my State.

I thank the Senator for allowing me to inject this statement during his remarks, because I have noticed that the OPA has boasted about how much it has saved the country by not allowing an increase in the price of cigarettes. Why should other industries, such as textiles, for example, be permitted to have an increase while one is denied the tobacco industry?

Mr. THOMAS of Utah. Mr. President, I thank the Senator from North Carolina for his statement. The argument which I used in connection with tobacco was made because the tobacco industry is one of the industries which can be used in illustrating the point which I was endeavoring to make in connection with the contention that of the 65-cent an hour rate would have an inflationary effect. The tobacco industry is an extremely good one for me to select in presenting the argument which I am making, because 58 percent of the labor in the tobacco industry will be affected by the proposed change. Therefore, if there is any industry in which the 65-cent minimum wage would tend to promote inflation, the tobacco industry is it. I was endeavoring to show exactly how much inflation would result to the ultimate consumer from an increase in wages.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. AIKEN. I have some very interesting figures which show that the decrease in the net profit of the tobacco companies has been due apparently to increased taxes instead of to increases in the cost of labor. The statistics which were furnished to the committee show that for the period 1936-39 the cigarette manufacturers made \$100,000,000 a year profit before income taxes, and in 1944 that profit jumped to one hundred-and-thirty-million-dollars-plus. However, the net profits after taxes were \$82,000,000 in the 5 years preceding the war, but dropped to \$63,000,000 in 1944, which is a pretty clear indication that taxes instead of labor costs caused a net reduction in the profits of the cigarette manufacturers.

The percentages are not the same, but the cigar manufacturers, and manufacturers of other tobacco products, had similar experiences. While they received more money, they were permitted to retain a great deal less of it.

Mr. HOEY. Mr. President, the Senator from Vermont is correct, although the difference between the price of tobacco and the increase in labor cost has had a large effect on the situation. The increased volume of production would probably have taken care of the difficulty had it not been for the fact that taxes have been superimposed and have almost trebled. As a result, the stockholders have had to bear the brunt of the burden.

Mr. AIKEN. The reason for that is that the tobacco tax is the easiest tax in the world to collect. Theoretically, the consumer pays it, but, according to the figures which I have, he has not been paying all of it.

Mr. HOEY. No; the consumer has not paid it. The tax represents a very large amount. For the past 12 years my State has paid to the Federal Government as much as any other State in the Union with the exception of five. For several years only two States, namely New York and Illinois, paid as much money into the Federal Treasury as did the State of North Carolina. I believe an exception to that is Pennsylvania which possibly paid more money into the Treasury during the war than did North Carolina.

Mr. President, the point I am making is that the Government is dealing unfairly with a great industry such as the tobacco industry, whether it imposes its discrimination through taxes or by a refusal to allow an increase in the price of its product. The stockholders share less now in the profits of the tobacco companies than they did before OPA was established.

Mr. THOMAS of Utah. Mr. President, I will repeat the last statement which I made when I was interrupted. In the event the increased wage cost could not be absorbed by dealers and wholesalers, and had to be passed along to the consumer, the increase in price as the result of this proposal would amount to less than one-seventh of the Federal excise tax alone.

Stated in another way, the whole increase in the wage bill of the tobacco industry would be less than 1 cent a pack of cigarettes, and there is an excise tax of 7 cents at the present time. So

I cannot help but point out that the tax on a single package of cigarettes amounts to seven times as much inflation as would result from the increase in wages under this proposed amendment. Yet no one in the whole United States has suggested that that tax should be removed because of its dangerous inflationary effect. But now, when we are proposing to benefit men and women engaged in the tobacco industry by raising their wages from 55 cents to 65 cents, or from 40 cents to 55 or 65 cents, and when such a raise will increase the price of one package of cigarettes 1 cent, or one-seventh the amount which the excise tax increased it, we are charged with presenting an inflationary bill.

Mr. President, if the argument about inflation does not drop to the ground as the result of this single illustration, I do not know how to argue it from a statistical standpoint.

Mr. President, in the timber and lumber industries the profits before the war were admittedly low, but even if the wage increase were allowed, the increase in profits in 1944 over 1936-39 would be 691 percent, or 9.8 percent return on net worth. Mr. Bowles estimated that without price control the price increase would probably be about 5 percent because of the low profits before the war, but part of this would be absorbed before the lumber reached the consumer.

In the textile industry there are 1,040,000 workers, and 47 percent of these work for substandard wages. The proposed wage increase would bring the 1944 percentage of profits over the 1936-39 profits down to 524 percent. Even if wages were not absorbed, there would be an increase of 1½ percent at the manufacturing level.

Similarly in the apparel and furniture industries, although they would be affected by the increase, the great amount of increase in profits would more than compensate, and even if the price was increased in each case, the percentage would be virtually negligible. These figures, Mr. President, are based on wartime wage scales, when a good part of the wage bill went toward the premium overtime hours. It is estimated that somewhere around 50 percent of the increases contemplated by the bill would be absorbed by the fact that there would be a very substantial decrease in the number of overtime hours.

A factor often overlooked in the problem is that a well-paid worker tends to do better work. I do not have to emphasize that point in the light of the convincing testimony given by the Senator from New Jersey [Mr. HAWKES]. A man who eats three square meals a day, who is in good health, who knows that his needs can be met by his check, and that his family is not faced with the never-ending cycle of robbing Peter to pay Paul every month, does better, more effective, and more productive work. The increase per worker of actual work done on the job could very well in itself help compensate for and absorb the increase in wages. This is not, as production experts—so-called efficiency experts—have discovered, mere theory. It is fact, proved over and over again in our progressive industrial enterprises,

and testified to this afternoon so ably by the Senator from New Jersey.

Many of us, during the war, were misled by this mistaken notion that everyone was making good money. No doubt, the help-wanted signs and advertisements, and such lavish examples of expenditures as overcrowded hotels, restaurants, theaters, expensive resorts, and Pullman cars had something to do with this erroneous notion. What we must realize is that beneath this layer of war rich there was a mass of war poor, larger than most people thought, caught between the Little Steel formula, on the one hand, and higher taxes and increased costs of living, on the other. Incontrovertible testimony before the Subcommittee on Wartime Health and Education in 1944 established that 20,000,000 Americans and their dependents lived on incomes that had not risen appreciably since Pearl Harbor. The plight of these underpaid Americans was a sorry one indeed. They were like a man caught in quicksand. The more they struggled, the deeper they sank. Expenditures for food, clothing, and housing were cut; such things as movies, books, magazines, vacation trips—everything but the bare necessities—were given up. With costs going up, and value, in most cases, going down, this 20,000,000 took more than their share of punishment. Instead of saving, they were forced to sell their war bonds, spend the fund accumulated for the education of the children, give up their insurance, and mortgage their homes.

About 15,000,000 of this number are salaried workers, and we could not have fought a war without them. They kept going our schools, churches, hospitals, Federal, State, and municipal governments. They operated our stores, offices, restaurant, and hotels. They published our newspapers and magazines. Harass this group of hard-working men and women and we weaken the Nation. They are vitally necessary to our social welfare. How many hospitals could have been maintained if the nurses had left to take higher-paying jobs in a war plant? How could judges, business executives, insurance companies, and Government officials manage to do their work without the clerks, stenographers, and assistants upon whom they rely? How can we expect to train and care for our children properly, to supply them with properly and adequately prepared teachers, when we offer a college man a salary of less than \$1,550 a year? Nine hundred thousand teachers in this country make an average of less than that amount.

The kind of Americans we are pushing around in this category do not belong to any labor union. They have no experienced negotiators to plead their cases. They look to the Congress of the United States for relief, not asking for charity, but for a day's pay for a day's work. As far as we have constitutional power to do so, we are obligated to reply in the same spirit with which they have served during the war years.

"That will bring more inflation," some statesmen cry in horror-stricken tones. "You'll raise the price of bread to \$100." That is nonsense. Inflation, even of the kind referred to, doesn't come from the

bottom. The \$25-a-week clerk doesn't overspend. It is the uncontrolled waster who brings inflation. In Washington, in New York, in every city, we see men and women spending \$100 in one evening in a night club, we see them buying mink coats, jewels, and liquor. They toss away millions of dollars to get what they want at any price. Thousands of businessmen, evidently with unlimited expense accounts, are coming to Washington in drawing rooms, living in expensive suites, spending enormous sums for food and drink. The money they spend and the money the Government has paid them for contracts, much of which is spent lavishly all over the United States, is more of a threat to inflation than the bill we have under consideration. I have not any figures, but it would be interesting to have on record the amount of money spent in this manner for the very purpose of defeating this bill.

But we will not get inflation by giving a shabbily-dressed typist a raise of \$2.50 a week, or increasing the wages of a bank clerk so that he and his family can keep up the payments on their home, or by giving college-trained school teachers enough money to buy a new dress. The money paid to workers in the classes covered by this bill will be spent for necessities, not squandered on luxuries. Some of it will go to meet accrued obligations such as doctor bills, clothing bills, and grocery bills. It cannot be otherwise, because so many low-paid persons are in debt. Some of it will go into essential purchases which have been postponed. Some will, we hope, be put aside into insurance, bonds, or bank deposits. There will be some meeting of obligations and some increase in business activities. But these are ordinary health transactions not feared in any way in the business world. They cannot possibly bring any ill. An increase in business certainly does not mean inflation. Some of the increases may be foolishly spent, but some will be wisely used, and will double and treble in the course of a few years. That, Mr. President, is called thrift, and since the days of Benjamin Franklin no one has suggested that thrift caused inflation.

Good wages are necessary not merely because industry can afford to pay them, or that they pay for themselves in increased production, but they are indispensable if our economy is to be strong, productive, and progressive. No employer of men has a right to a profit because he is unwilling to pay his employees as much as his competitor. Certain industries, in equity and justice as well as in sound economics, must not be allowed to exploit their employees by paying wages substantially lower than are paid in other industries. High wages mean better markets for goods that stimulate economic activity. Economic activity means job opportunities and business opportunities, more profits, and a higher standard of living for all. An expanding market is the key to a healthy economy.

The real threat to our economy today is that ordinary workers are not able, and may not tomorrow be able, to meet the ordinary expenses with which they are confronted. Their suffering is the suffering of the Nation, for we cannot

achieve full production and full employment with dragging anchors. The obligation of the Congress to pass legislation to provide for a minimum wage high enough to insure decent living standards for all is not only to those directly affected by the bill, but the obligation is no less to everyone in the Nation.

Mr. AIKEN obtained the floor.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. AIKEN. I yield.

Mr. HILL. I know there are some Senators not now present who would like to hear the Senator from Vermont. If the Senator will yield for that purpose I should like to suggest the absence of a quorum.

Mr. AIKEN. I yield for that purpose.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GOSSETT in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names.

Aiken	Hart	O'Mahoney
Austin	Hatch	Overton
Bailey	Hawkes	Pepper
Ball	Hayden	Radcliffe
Bankhead	Hickenlooper	Reed
Barkley	Hill	Revercomb
Bilbo	Hoey	Robertson
Brewster	Huffman	Russell
Briggs	Johnson, Colo.	Saltonstall
Buck	Johnston, S. C.	Shipstead
Bushfield	Kilgore	Smith
Byrd	Knowland	Stanfill
Capper	La Follette	Stewart
Carville	Lucas	Taft
Chavez	McCarran	Taylor
Connally	McClellan	Thomas, Okla.
Cordon	McKellar	Thomas, Utah
Downey	McMahon	Tunnell
Eastland	Magnuson	Tydings
Ellender	Maybank	Vandenberg
Ferguson	Millikin	Walsh
Fulbright	Mitchell	Wheeler
George	Moore	Wherry
Gerry	Morse	White
Gossett	Murdock	Wiley
Green	Murray	Willis
Guffey	Myers	
Gurney	O'Daniel	

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present.

Mr. AIKEN. Mr. President, I wish to speak briefly on the coverage of the bill as it relates to agriculture and other industries.

Under the proposed amendment of the Fair Labor Standards Act of 1938 no change is proposed to extend either the minimum wage or overtime pay requirements to farmers or their employees. All the traditional and genuine operations of both farmers and their employees are and will remain totally exempt. However, for various, and often conflicting reasons, certain exemptions were provided in the original act for some employers who process agricultural products.

Mr. PEPPER. Mr. President, I hope the Senator will not think me officious if I call attention to the fact that the able Senator from Vermont is now discussing certain important features of the bill pertaining to its effect upon agriculture. I feel that the Senate would like to hear what the Senator has to say, and I respectfully call the attention of the Chair to the desirability of order in the Chamber.

The PRESIDING OFFICER. The Senate will be in order.

Mr. AIKEN. I thank the Senator from Florida. I agree with him as to the importance of the portion of the bill which I shall discuss. However, I am not sure how much influence I shall have with my colleagues.

As I have said, for various, and often conflicting, reasons, certain exemptions were provided in the original act for some employers who process agricultural products. In a large percentage of cases these employers are not farmers and do not operate on farms, nor are they engaged in the growing or harvesting of crops. They are processors engaged in industrial work the same as a processor of wood or iron. As shown by the hearings, for the most part their plants are located in industrial centers and involve huge capital investments. They employ 200 or 300 employees drawn from the urban population. Their employees are as highly skilled as any other employees engaged in industrial processing. Yet, because they are engaged in the processing of agricultural commodities they claim that they should not be subject to the act as other processors are, but should have exemptions the same as farmers.

In an attempt to achieve this end and at the same time retain enough of the act to make it effective, in the original bill Congress enacted 19 special exemptions in section 7 (c) and 12 special exemptions in section 13 (a) (10). In the more than 7 years these special exemptions have been in effect they have proved a continuous source of conflict, discrimination, and utter confusion to both employees and employers. Naturally to grant a special exemption from a statute of general application, the language of the exemption has to be highly technical. As a result the decisions of the courts are conflicting as to the meaning and scope of the exemptions. Some decisions have limited the scope of the exemptions to the strict letter of the statute, while others have expanded the scope beyond all reason.

Under the present exemptions two employers may be engaged in producing the same product, but because they operate differently the exemptions will have a discriminatory application. Thus, if one canner operates his warehouse as part of the place of employment where he performs his canning, both his canning and warehouse employees are exempt. But if he maintains his warehouse at a different place of employment from where he performs his canning, his canning employees are exempt but his warehouse employees are not.

Similarly, the exemptions discriminate between employees performing the same work for the same employer. Thus, if an employer is engaged in canning green beans and baked beans, the employees canning the green beans are exempt while those canning the baked beans are not exempt.

Furthermore, the exemptions discriminate between employers and employees because they overlap each other. Thus, competing employers may be engaged in ginning or compressing cotton, packing,

drying, or canning fresh fruits or vegetables, pasteurizing milk, or making cheese, butter, or certain other dairy products, but some employers may be entitled to only a total or partial overtime exemption under section 7 (c) while others will be entitled to a total minimum wage and overtime exemption under section 13 (a) (10). In addition, some employers may be able to qualify for only a 14 workweek exemption from overtime under section 7 (c), but other employers may also qualify for an additional 14 workweek exemption from overtime under section 7 (b) (3) and thus get a total of 28 exempt weeks during the year.

The most confusing and difficult exemptions are those contained in sections 7 (c) and 13 (a) (10) for certain work performed "within the area of production (as defined by the Administrator)." Since 1938 the Administrator has been engaged in an expensive and fruitless attempt to define this term. Several definitions have been issued but were abandoned as unworkable. Finally the Administrator was able to work out a definition which was both workable and practical. However, the United States Supreme Court declared this definition totally invalid and held that when a valid definition is issued it will operate retroactively. I believe this decision was rendered in June 1944. In this utter state of confusion neither employers nor employees know whether they are within or outside of the Act and the Administrator is confronted with a seemingly impossible task.

It is well known, as is shown by the hearings, that the workers employed by processors of agricultural products are largely low paid and have less collective bargaining powers than do the members of most of the other groups in the United States. The families usually have more than one breadwinner; often all members of the family must work in order to obtain the barest necessities of life. Most of the employees of the processors of agricultural products are women and young girls who are required to work long hours.

Realizing these facts, most States have passed special laws governing the wages and hours of employment of women and girls in canning and other food processing plants. However, when the Federal Government says that women and girls may work unlimited hours in canneries, some employers feel that they no longer have to comply with the State laws imposing limitations. This disregard for State laws because of the exemptions contained in the Federal law has been brought to the attention of the Administrator by State officials, with the request that the exemptions of the Federal law be eliminated, so as to bring the Federal law in line with the State laws. Not only are most of the employees in canning and food processing plants women and young girls, but, as shown by the hearings, it is the practice of their employers to pay them lower wages than the wages which are paid to men for performing the same work. Not only is that undemocratic, but it is also un-American and unfair. However, only by requiring a minimum

wage for all persons, whether male or female, can that totally unjustified practice be eliminated.

In many cases processors are willing to pay higher prices to their employees, but they cannot do so as long as their competitors take advantage of the opportunity to pay very low wages.

The processing of agricultural products is big business. Some concerns do several hundred millions dollars' worth of business a year; and it is big business, just the same as any other industry. It is not farming. The workers in those plants are largely industrial workers, highly skilled; and they live in industrial cities. They are not farm workers, nor do they compete with farm labor. During the recent times of rising prices and rising wages, their incomes have not been supplemented by the huge overtime payments which have been received by employees covered by the overtime provisions of the act and by persons employed in other industries that are covered.

The proposed amendments have taken into account the fact that during peak periods, food processors must operate long and continued hours. Thus the amendments provide for an overtime exemption for an aggregate of 14 weeks in each year. The 14 weeks' exemption which is allowed to the food processors in each year need not be consecutive weeks. Two weeks may be taken at one time, or 6 or 8 weeks may be taken at one time, or even the entire 14 weeks may be taken at one time, depending upon the needs of the particular industry concerned. The exemption, which permits an employer to use his help up to 12 hours a day or 56 hours a week, is intended to cover the needs of the country's dairy plants during the flush season of milk production, the cotton ginners, the grain elevators where employees have to work long hours during the harvesting season and short hours during a good deal of the rest of the year, and also seasonal canning. Throughout many sections of the country there are seasonal canning plants where perhaps a single product is canned, and the 14 weeks' exemption will help them. The exemption is uniform, is simple, and is easy to apply; and it does away with the present complex and discriminatory system of overlapping exemptions.

I have been asked several times whether the farmer is exempt from the provisions of the proposed amendments, in respect to trucking his products to market. The answer is, "Yes."

The definition of agriculture which holds good in respect to the existing law also holds good with respect to the proposed amendments. That definition provides that included in agriculture shall be preparation for market and delivery to storage or to market or to carriers for transportation to market.

Mr. President, I have spoken briefly on the coverage of the bill as it relates to agriculture. Now I should like to speak for a few minutes on the general effect of the bill, as I see it upon agriculture.

The claim that an increase in a legal minimum wage rate will be injurious to agriculture cannot be sustained. In-

deed, the raising of the rate and the consequent raising of the living standards of millions of wage earners will, in my opinion, have a beneficial effect upon the Nation's agriculture.

As I have pointed out, agriculture itself and the farmer and his employees are exempt from the provisions of this measure, although it is true that over a large part of the country farmers are now paying as much or more for labor as the bill under consideration proposes. When we count such additional benefits as house rent, milk, vegetables, and fuel, we find that in many sections of the United States the take-home pay of the farmworker is as good as or better than that of industrial workers in the same area. It is claimed by the opponents of the bill that even though farm labor is exempt from its provisions, nevertheless the farmers will have to meet industrial wages in order to get help, and that consequently an increase in the minimum industrial wage will mean an increase in the wages paid to farm labor.

Mr. REVERCOMB. Mr. President, will the Senator yield at this point?

Mr. AIKEN. I yield.

Mr. REVERCOMB. The discussion here is very interesting to me. As the Senator may know, I favor the highest wage which can be paid in any industry or in any endeavor.

Mr. AIKEN. I realize that.

Mr. REVERCOMB. But addressing myself to the subject of the pay of farm workers, let me ask how the bill will affect a contract worker who is paid, for instance, by the month or who undertakes to operate a farm as a tenant or even as an employee upon the basis of a yearly lump-sum payment or a monthly salary, so to speak, where a house is furnished and cows are furnished and a garden is furnished. How will the hourly wage provision affect any agreement or contract of that kind?

Mr. AIKEN. I think that would depend upon the work in which he is employed when he goes on the farm. If he is cutting wood for the fireplace, if he is cutting brush to clear the land for pasturage, if he is building fences, I should say he undoubtedly would be an agricultural employee and would be completely exempt. Furthermore, it is not likely that the work he would be doing would enter into commerce in any way. If it did, he might be covered. If lumber were being cut for sale, I presume he would be covered, although I do not want the Senator from West Virginia, who is a very able lawyer, to take my word as final on that point. But I am sure that if the worker were employed in domestic work around the place or, as I have said, were engaged in cutting brush or building fences or doing anything in regard to improving the land, he would not be covered by the bill, but would be exempt as an agricultural employee. A farm, I believe, is defined as an area of three acres or more.

Mr. REVERCOMB. Mr. President, will the Senator yield at this point for one other question?

Mr. AIKEN. I yield.

Mr. REVERCOMB. I wish to have the benefit of the Senator's view, because he

has been very much interested in this bill and in its presentation. What would be the situation in the case of stock farms where cattle or sheep are raised and are shipped in interstate commerce and where some of the workers engaged in the farm work are tenants who are furnished a house in which to live and are furnished a garden and are paid a monthly salary? How would the pay of such employees, if we may call them that, be affected by this bill?

Mr. AIKEN. Let me read the legal definition of agriculture as it appears in the present law and as it remains unchanged in the pending bill:

"Agriculture" includes farming in all its branches and among other things includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural or horticultural commodities (including commodities defined as agricultural commodities in section 15 (g) of the Agricultural Marketing Act, as amended), the raising of livestock, bees, fur-bearing animals, or poultry, and any practices (including any forestry or lumbering operations) performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, including preparation for market, delivery to storage or to market or to carriers for transportation to market.

It is my own personal opinion that anyone engaged in raising livestock or delivering livestock to market would be exempt from the provisions of the pending bill, under the definition of "agriculture" as given in the present law. A few moments ago I remarked that if a farmer had wood or lumber to sell, which he did not need for his own use, he would probably be covered by the act. However, as the Senator will see, the definition provides that the cutting of wood or lumber, as an incident to or in conjunction with such farming operations, is exempt. But, as I say, I do not want the Senator to accept me as an authority on a legal definition.

Mr. McCARRAN. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I yield.

Mr. McCARRAN. Let us assume, for example, an irrigated ranch. Farm labor is employed in irrigation. Let us assume the ranch is a grain ranch, and that all the land on the ranch must be irrigated. A number of irrigators must be employed during the irrigating season. Would they be covered by this bill or would they be exempt?

Mr. AIKEN. I would say that their status under the bill would be the same as it is now under the present law.

Mr. McCARRAN. I do not understand that they are now covered by any law.

Mr. AIKEN. I do not either. The Senator from Florida [Mr. PEPPER] is on his feet. He is a very able lawyer. I yield to the Senator from Florida if he desires to reply to the question of the Senator from Nevada.

Mr. PEPPER. Mr. President, I may say that my impression would confirm what has been said by the able Senator from Vermont. It is not the purpose of the bill, in respect to agricultural and horticultural operations, to establish a coverage until the point of processing has been reached.

Mr. McCARRAN. What would be done about threshers engaged in the threshing of grain? That is, in a way, processing.

Mr. PEPPER. It is, however, a process which takes place on the farm, I may say to the Senator.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. TAFT. The only exemption is with regard to a worker who is employed in agriculture. I would not think that the operators of an irrigation project would be employed in agriculture, so I would not think they would be exempt.

Mr. McCARRAN. Certainly they are employed in agriculture, because all our western farms are irrigated.

Mr. TAFT. Why is the employee of an irrigation company employed in agriculture any more than are employees of an electric company which supplies electricity to a farm? It is a service industry to the farm. The man involved is not engaged in agriculture. Of course, he would not ordinarily be covered under the old act, because he is not engaged in interstate business. He is an intrastate operator, and I would say that he is not covered. The definition of interstate commerce is made so broad in the new act that I am not sure whether the man would be exempted or not.

Mr. McCARRAN. That is what I have in mind. On our western farms there are thousands of acres in grain. They have to be irrigated, and it is necessary to employ irrigators for that purpose. That grain goes from one State to another. It goes into interstate commerce. The question in my mind is, Are the farmers who are engaged in irrigating grain land and harvesting grain exempt from the provisions of this bill?

Mr. PEPPER. That specific situation has not been called to our attention, but we shall be glad to obtain an authentic interpretation from the Wages and Hours Administration. There is nothing which I can see in the pending bill which would alter the present situation. I think that the men to whom the Senator has referred are engaged in agriculture when they work in the fields. Their situation is not like that of an electric light company in a nearby village which furnishes electric current to a farm. The men who are employed in an electric light company are not engaged in agriculture. But as to a man who is required to work in the field in cultivating agricultural crops, I do not believe there can be any question.

Mr. TAFT. I agree with the Senator from Florida.

Mr. AIKEN. It is my information that an irrigation company is already covered under the present law. But, of course, the ditching of the fields by the farmer himself—I assume that he ditches his own fields after he gets the water—would be agriculture. At the present time an irrigation company is covered under the law just as is an electric-light company.

Mr. McCARRAN. What I am talking about is the man who works in the field applying water to the land. That land produces grain, and the grain is carried from one State to another for various

processes until it becomes flour. My question is, Is the man who plants and irrigates grain engaged in a vocation which will be covered by this bill?

Mr. AIKEN. While I can speak only for myself, I would say that anyone engaged in watering crops is engaged in an agricultural pursuit.

Mr. McCARRAN. No; I am not talking about the farmer. I am talking about his employees. Are they exempt, in view of the interpretations which have been handed down that everything which ultimately goes into interstate commerce—

Mr. PEPPER. Mr. President, if the Senator will yield to me—

Mr. AIKEN. I yield to the Senator from Florida.

Mr. PEPPER. First, I wish to emphasize that the Senator from Ohio has agreed with the statement which I made that coverage would not extend to those men. Next, two things would have to occur before the law would apply. Coverage must extend to the type of activity in which the given person is engaged. The activity must be the production of goods for commerce, in commerce, or affecting commerce. But once an employee is included, in other cases he may not be covered because of an express and affirmative exemption, so that even if agriculture is covered under this act there is still an affirmative exemption as to agricultural labor.

Mr. REVERCOMB. Mr. President, referring to another specific instance in connection with the subject being discussed, what of the orchardist who operates land devoted principally to the production of apples or peaches which, in most cases, enter into interstate commerce? In those cases there are many regular employees on the land, on the farm, or in the orchard. Some of them are employed under monthly contracts. They are furnished houses and homes in which to live. But the farmer's product goes into interstate commerce. There are also others who are employed during the picking and packing season, and work under seasonal contracts. What about those employees? How will the pay of those who work in the orchards be affected by this bill?

Mr. AIKEN. I am sure they are exempt from the coverage of this bill. I am equally sure that no orchardist today can obtain that kind of help for anything like the minimum wage provided for in the bill.

Mr. REVERCOMB. I agree with the Senator, but we are talking here about a policy of pegging the price. I wish to know what effect the bill would have as applied to the examples to which I have referred.

Mr. AIKEN. Harvesting, packing, and delivery to market, or to carriers for transportation to market, are included in the definition of agriculture, which is exempt under both the present law and the proposed amendments.

Mr. McCARRAN. Mr. President, will the Senator yield? I hope I do not interrupt the Senator too often.

Mr. AIKEN. I gladly yield. I think it is well to have any doubts cleared up now instead of waiting for the courts to do so at a later time.

Mr. McCARRAN. In the West we are interested in the type of agriculture which is carried on in our own localities. Let me speak of some phases of agriculture in the West. We are engaged in the livestock business. We have a base ranch, for example, and our livestock is allowed to run on the open public domain. We have employees who go out on that domain and take care of our livestock. We have sheep herders and cowhands. All the products, such as wool from the sheep, the lambs, and the beef go into interstate commerce. Would the cowhands, the sheep herders, and the sheep shearers come under this bill? We are interested in that subject.

Mr. AIKEN. No; I am sure that it is not the intention of anyone to have the workers to whom the Senator has referred included under this bill. Under the proposed amendments they are engaged just as much in agriculture as they are under the existing law.

Mr. McCARRAN. I would agree with the Senator, and he is undoubtedly correct, but the construction which has been placed upon these commodities by the Supreme Court, such as putting everything in interstate commerce from the time it grows until the time it is consumed, causes me to raise the question.

Mr. LUCAS. Mr. President, the question raised by the able Senator from Nevada brings up a situation which exists in my section of the country, which is quite similar to his, although it is not on such a large scale. I live in a section where there are a great number of drainage districts, and there are drainage commissioners. The drainage commissioners are farmers living in the drainage districts. They have hired help, and they go out frequently to clean out ditches and take care of the debris which comes and goes. Obviously they are all exempt from the provisions of the pending bill, if the irrigators are exempt. I take it there can be no question about that.

Mr. AIKEN. I would think so.

Mr. LUCAS. So far as interstate commerce is concerned, the wheat farmer and the corn farmer, in fact, everyone I know of who raises any sort of an agricultural or horticultural product, is really engaged in industry commerce.

Mr. McCARRAN. Under the interpretation.

Mr. LUCAS. Yes; under the interpretation of the Supreme Court. So they are all affected by interstate commerce, regardless of the type or character of agriculture they may follow.

Mr. AIKEN. I thank the Senator from Illinois for his observation.

I now continue with my thought, Mr. President, and I wish to say that I agree the time has passed when we can hire farm labor at a lower rate than the industries in our communities pay. With the great corporations establishing plants in the farming areas, as they are doing today, it is inevitable that farmers must compete with them for the available labor supply in those communities. A minimum wage law will not affect this condition; the competition will be there anyway. It is already there. It is already a serious problem in many com-

munities, including some in my own State.

The decentralization of industry will mean, however, that farmers will sell a larger percentage of their production at an increased retail price.

We are undergoing a great economic revolution in both industry and agriculture. The day of hand labor for farmers, except in certain specialty crops, is over. We must produce at the lowest possible cost in order to stay in a highly competitive market.

The farmer of the future will produce bigger crops of better quality, with higher priced labor, with little, if any, increase in cost of production.

He will do this by mechanizing his farm, improving varieties, using more fertilizer, and practicing new and improved methods. Soil conservation districts, with the use of bulldozers, ditchers, and other heavy equipment, will put thousands of farms, which can now be worked only by old-fashioned methods, in such condition that mechanized equipment can be used. That is already being done, and is being done a great deal in New England, where the farms are small, and often steep and rocky.

Cooperatives will enable hundreds of farmers in a single community to pool their products for grading and marketing, thus enabling them to receive better prices on the market.

Rural electrification will lighten the work of both the farmer and his wife as well as enabling the same production to be made with less labor.

On thousands of farms, the owners of which have had their sons or their workers drafted for the war, milking machines and other equipment operated by electricity have enabled the farmers to get along with less labor than they employed before.

We are witnessing new methods of food processing and refrigeration will reduce the loss in perishable crops.

The improvement of transportation systems will reduce costs of marketing and improved methods of farm financing will lighten the old back-breaking load of interest charges.

The farm worker of the future, whether he is employed or is the owner of the farm, will be better educated and highly skilled.

It is useless to expect such men to work for less than the industrial wages which prevail in their communities.

Farmers are also interested in a high level of industrial wages because only by maintaining the purchasing power of the consumers of this Nation can a ready market be provided for the products of the farm.

It is equally true that only through a high level of farm income can the products of industry and labor be assured a ready market.

Our national economy does not run on a one-way street. Whenever the income of either industry, agriculture, or labor falls below a safe level, the earning capacity of the other two factors is inevitably impaired.

As farmers, we have a definite stake in the welfare of the Nation and we cannot fail to observe that in any area where low wages exist or have existed, that the

standards of health and education are also low.

Regardless of where such conditions may exist, the effect is felt throughout the entire Nation.

It is equally true that no one State or community can keep its prosperity to itself, for the effect of its purchasing power will be felt to some degree in every State or community.

All too frequently we hear the claim made that low wages are better for the workingman because he can buy so much more for a dollar. If that were true, the short-cut to prosperity for all would be to restore conditions prevailing in 1933 and 1934, when millions of people were working for \$12 a week or less.

Such a claim, however, is not true. Only when earning power is high can a family save enough money to educate their children, to purchase dental and medical care, and to save up money for a rainy day.

Only by maintaining a high level of earning power can we be assured a stable economy that will enable us to meet the obligations of government and to maintain the value of securities which have been sold to millions of our citizens.

It is foolish to talk about going back to prewar earnings. With a national debt of \$280,000,000,000, one would be blind, indeed, not to see the absolute necessity of maintaining a higher level of wages, salaries, incomes, taxes and, in some cases, prices.

I am concerned lest after provision has been made for the needs of industry and commerce and labor, that the needs of agriculture may be neglected.

I have always maintained that the farmer is fully entitled to have the cost of labor given its proper weighting in the computation of prices under any parity formula.

I believe the present parity formula is outmoded. It is not applicable to many farm crops today, such as citrus growing, or dairying, and many other types of agriculture. We should have been at work on this problem months ago.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. LUCAS. Is the Senator willing to apply the cost-of-production formula under present conditions?

Mr. AIKEN. Not in connection with the pending bill. The Senator may recall that the Senator from Vermont had an unfortunate experience once in getting a committee to accept such an amendment on a price-control bill.

Mr. LUCAS. I do not contend that there is not some merit, perhaps, in what the Senator says, but the question of the formula will be raised, I presume, through the Russell amendment before the debate is concluded, and it is a very important question.

Mr. AIKEN. I am not sure that the parity formula is the proper method to use today to insure parity income for farmers.

Mr. LUCAS. I shall not debate that with the Senator at the present time.

Mr. AIKEN. Nor shall I debate it. I merely say that if it ever was the proper formula to use, it is entirely outmoded.

now, and I bring that question up because of an amendment which will be proposed to the minimum wage bill.

I repeat, we should have been taking up the matter of insuring adequate agricultural income a long time ago.

Unless the needs of agriculture are met to a degree comparable to that given to industry and labor, both industry and labor will find that the considerations which they have received will be of little value.

The American farm is still the world's greatest market, but this bill, Mr. President, is not the vehicle which should be used as a means for providing justice and equality for the millions of our farm families.

In reference to other proposed amendments, I may say that the pending bill is not the vehicle which should be used for punitive or corrective labor legislation. This is a minimum wage bill. It is not a union bill. It is to protect workers who do not belong to unions. Today not many union members are earning below the minimum prescribed in the bill.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. JOHNSON of Colorado. The Senator says this is not a bill in connection with which that adjustment should be made. Yet, does not this bill raise the low level of wages of farm labor, and does not that affect the farmers?

Mr. AIKEN. The bill does not apply to farmers or farm labor.

Mr. JOHNSON of Colorado. I know that, but if raises the low level of wages of farm labor, because it raises other wages, and farm labor has to compete with those wages.

Mr. AIKEN. Competition already exists. The farmer is already competing with industry for labor over a large part of the country, and is having to pay today more than the minimum fixed in the proposed amendment.

Mr. JOHNSON of Colorado. Of course; but the Senator would not be working for the enactment of the bill if it were not the purpose to establish wages on levels which have been set forth in the bill. So it does affect the farmer.

Mr. AIKEN. Whether it affects the farmer more than he is affected by the competition that exists anyway is a question. As I said I concede without question that the farmer has got to meet industrial wages for his community. He is doing it today. He has to do it today. Some of the plants within 25 miles of my home I think pay most of their workers from \$26 to \$35 a week, and the farm workers actually get as much and in some cases more take-home pay than industrial workers do. Of course there are high-wage industrial workers who receive a dollar or a dollar and twenty-five cents an hour. There are also wood choppers who, as the Senator from Maine knows, are receiving from \$1 to \$1.25 an hour.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. LUCAS. Of course what the Senator is talking about is something that affects the laboring man directly. That

is the primary purpose of the bill. When the wage rate is increased the laboring man himself is going to get the increase. Prices paid on the basis of the cost of production to the farmer go direct to the landlord or to the farmer himself and not to the hired man on the farm.

Mr. AIKEN. That is true.

Mr. LUCAS. Under the cost-of-production formula the money goes directly to the landlord. It goes to the farmer himself. If he sees fit to pay the laboring man on the farm an additional amount, very well, but if he can hire him for the same wage as before, he may do so.

The point I make is that there is a tremendous difference between the two proposals. In the one case we know that if the wage rate is increased the worker will receive the benefit of it. In the other case we must trust to the farmer himself who hires the laboring man to see to it that the money will be spread out among the workers.

Mr. AIKEN. I am glad to have the observations of the Senator from Illinois. But when he speaks of landlord and tenants he is talking a different language than we use in New England, because we do not have landlords in the usual sense of the word.

Mr. LUCAS. What do they have in New England?

Mr. AIKEN. About 90 percent of the New England farmers own their own farms.

Mr. LUCAS. They own their own farms, that is true, but they have to employ workers, do they not?

Mr. AIKEN. Yes.

Mr. LUCAS. Under the cost-of-production formula, which is bound to come up for discussion in this debate, the 90 percent who own their farms would get the increase themselves, and it would be up to them whether they would pass it on to the employees they hire. If they could hire them for the same wage as they pay now I take it they would do so. If they could hire them for a 10-percent increase in wage while they were receiving under the cost-of-production formula an increase of 20 percent, they would do so, I presume. Under the cost-of-production formula the individual who is hired to do the work is not reached. The increase goes direct into the pocket of the farmer who owns the land, and whether he passes it on to the individuals whom he is hiring is within his discretion, depending upon what kind of contract he can make with the hired laborer. But this bill, as I understand, contains an entirely different principle. Under its terms the rate of increased pay will be definite and certain. The laborer will know exactly what his increase in wages will be.

The two theories are wholly incompatible.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. PEPPER. As a matter of fact, has it not been made clear by many of those who are advocating the cost-of-production formula or change in the parity principle that they do not wish this minimum wage law made applicable to farm labor?

Mr. AIKEN. Personally, I think that this is no place to attempt to make a change in the parity formula, nor is any type of legislation other than that which pertains to wages and hours. Any successful attempt to confuse the matter under discussion or to combine farm legislation with minimum wage legislation in a single bill would lead only to the defeat of both objectives.

Referring to what the Senator from Illinois said, this sudden solicitude for the farmer's welfare, after we have been inactive for months, does not impress me very favorably. The bill of course is not perfect. Some things have been brought out here this afternoon that ought to have been brought out as to who was exempted under the bill. The Congress should make it clear whom it intends to cover and whom it intends to exempt before any legislation is enacted. But I think we should enact this legislation now with a full realization that a heavy moral responsibility rests upon the Congress to give to those engaged in agriculture the just consideration which they fully deserve and which we very properly should also give to industry and labor.

Mr. President, I want to repeat that this is not the place to attempt to attach such important bills as the cost of production bill, the Hobbs bill, and possibly the Case bill, before we get through with it. This is not the place to attempt that kind of legislation, and I cannot help but feel that much of that legislation is offered not for the benefit of those whom it is claimed to benefit but for the purpose of killing this minimum-wage bill. And while I might look on some of the proposed legislation favorably, if it came up by itself, I cannot look upon it favorably when it is brought up in this manner in an attempt to defeat the matter which we are now discussing.

Mr. KILGORE. Mr. President, when the workers of America increase the productivity of the Nation to such an extent that the national income reaches the unprecedented total of \$160,000,000,000, it is an act of justice and fairness to pay those producers a fair share of their increased productivity.

In view of the huge national income achieved last year, the Congress is obligated simply out of the sense of the rightness of things to raise the minimum wage from 40 to 65 cents an hour to provide the low income workers with a fair and equitable share of their labor and an opportunity to buy some of the things they produce. I believe that this recognition comes somewhat belatedly. We should probably have taken it into consideration before; but in all fairness we must seriously consider it now.

In 1938, when the Fair Labor Standards Act was enacted, the national income was \$64,200,000,000. This past year our national income was \$160,000,000,000—an increase of approximately 150 percent. No one will say that that was due to an increased number of laborers alone. We have not had such an increase in our working population, so there must have been an increase in the productivity of American workers.

The most pertinent question to ask in evaluating the fairness of a 65-cent mini-

minimum wage is: Have the low-paid workers received a proportionate share of this increased national income? The answer is: "No; they have not." If we take into account the increase in population and the changes in prices, the national per capita income has risen at least 75 percent in 7 years. However, the low-paid workers, many of whom achieved the 40-cent minimum by 1941, have not received a proportionate increase in wages. The proposal to increase the minimum wage is simply an effort to assure our low-paid workers a fairer share of this increased national income.

It is not enough to raise the minimum wage simply to take care of the rise in the cost of living. To do this would leave the low-paid worker back where he was in 1941. He would gain nothing from the vast increase in income and productivity which the Nation has experienced in the past few years. This is unfair, and it could only be done by blinding ourselves to economic realities. A cost-of-living raise in the minimum wage would place the minimum figure at something more than 55 cents. A raise based on a proportionate share of the rise in per capita national income of 75 percent would set the minimum at 70 cents as of this time. The bill before us would set 70 cents for the second 2-year period, increasing to 75 cents at the beginning of the fifth year, by which time the increase in national productivity in terms of output per man-hour should much more than offset the added 5 cents an hour.

Nearly everyone recognizes the equity of an increase to take into account the rise in the cost of living. The basis for such an increase is the belief that the worker should be no worse off than he was before the war. But the truth of the matter is that he would be worse off as compared with higher-income groups than he was in 1941, if all he should receive was a cost-of-living increase. True, the cost-of-living increase equalizes his purchasing power. It does not, however, put him on an equal basis with 1941 so far as his share of the national income is concerned. A disparity still exists, and it is to give the low-paid workers a fairer share of the Nation's increase in productivity and income that an immediate 65-cent minimum wage is essential and is indicated by all the figures.

When there is a saving in the cost of an article as a result, for example, of increased efficiency or the institution of a new invention, this saving can be reflected in three ways. First, the prices of the article can be reduced by the amount of the saving. In this case, you and I and the other consumers benefit immediately; and the employer and employees may benefit if the price decrease results in a greater demand for the product. Second, the wages of the employees can be raised by the amount of the saving. In this case the employees benefit immediately; but eventually many people will benefit because the employees will be able to buy more things with their increased wages. Finally, the employer may take the total saving in profits, in which case he or the stockholders alone benefit immediately, and how many oth-

ers will eventually benefit will depend on how they spend or invest this money. There was just as much purchasing power in the United States when the crash occurred in 1929 as there was during the days of inflation. But that purchasing power was frozen. The dollars representing such power were not in circulation and in the hands of consumers.

In actual practice the saving is reflected in various combinations of these three ways. The employer may, for example, take a portion of the saving in profits and give the remainder to the employees through a wage increase. If competition in his field is strong, the employer may use all the saving to lower the price of the article and keep his plant operating and his employees employed. On the other hand, he may have equally strong pressure from a well-organized union and may be forced to split the saving by lowering the price and raising wages.

The low-income group with which we are concerned in enacting a minimum-wage law consists by and large of low-paid and generally unorganized workers. I wish to emphasize that fact. I have heard many statements on the floor of Congress and on public platforms to this effect, "I am for the workers." This is a bill for the workers, and, by and large, the unorganized workers. Their wages are low because many of them are unorganized and are, thus, in a weak bargaining position when it comes to the question of obtaining a share of such productive efficiency savings as may have occurred. If they had been organized and were members of a strong union, many of them would probably have been able to demand and obtain a higher wage—a larger share, in other words, of the saving which I have been discussing. Because they have not been in a strong bargaining position with their employers, they have not obtained as large a share as have the organized workers of the savings resulting from increased efficiency and technical improvements. The savings have gone rather into price decreases or profits. It is true that others in society have benefited by these savings; but it is also true that the workers in such low-paid industries have lost ground proportionately because, in the fight for a cut in the income melon created by increased productivity and efficiency, people in a stronger position have been able to get larger slices or shares. Thus, since VJ-day more than 6,000,000 organized workers have obtained substantial increases in wages, many of which were 15 to 20 cents an hour over and above previous cost-of-living adjustments. The unorganized worker has not been in a position to obtain such increases, but has had to depend upon the generosity of the employer or the good fortune of a tight labor market to get any increase whatsoever.

While the income melon has been growing larger in this period, the low-paid unorganized worker has been falling further behind. And the probabilities are, if we can judge by the experience of what happened after the First World War, that this group of workers is going to fall even further behind because this income melon

is going to increase by leaps and bounds. Productivity and manufacturing which will begin to go up rapidly now that reconversion is well under way, increased about 10 percent a year for the first 3 years after the last World War. It is expected that a similar yearly increase will take place after this war and that by 1950 the index will stand at 40 to 50 percent higher than in 1938. When manufacturers begin to purchase the new machines and equipment which they were unable to buy during the war because of the rigid controls over such items, the same process of introducing new labor-saving devices at a high rate and on a broad scale will undoubtedly begin again, resulting in greatly increased output per man-hour. That is all to the good, but we must assure the low-paid worker a fair share of the benefits resulting from this increased productivity. A minimum wage of at least 65 cents, rising to 75 cents, will do much toward achieving this end.

Let us look for a moment at what has happened to various economic groups as the national income has risen since 1938. Unfortunately, so far as the wage and salary earner is concerned, the figures on the annual earnings by industrial groups do not go beyond 1943. However, there is enough material available to indicate very specifically what the trend has been and how irregular have been the increases in income among wage earners and salaried employees by industrial groups. The per capita income of the country increased 92 percent in the years between 1939 and 1943. However, the average annual earnings per full-time employee in all private industries increased only 61.4 percent during this period. This is an average for all industries and there are striking differences between industries as to the amount of increase in average annual earnings. The average annual earnings for employees in agriculture, forestry, and fisheries, for example, increased 107.4 percent between 1939 and 1943. This compares with an increase of only 22.6 percent for employees in the communications and public-utilities industries and 17.3 for employees in finance, insurance, and real estate—in other words, the white-collar workers. The average annual earnings of employees in contract construction went up 97.6 percent in this period, largely, I think, because of the cost-plus-fixed-fee contracts. In some cases the country was paying the increase in the end. This increase was far above the average, while the earnings of employees of the manufacturing industries went up 72.3 percent or somewhat above the average increase. Employees in all the other industrial divisions such as mining, wholesale and retail trade, transportation, and services all had increases which were in varying degrees less than the average increase in annual earnings of 61.4 percent. This gives a startling picture as to how hazardous has been the increase in annual earnings among workers as the national income has risen.

Mr. President, this is something of interest when we are discussing the question of strikes. There is a lack of a leveling-off and a decent equalization in the

wage structures of this country. Employees in some industrial groups have received a far larger share of this increase in national income than have employees in other industries. The lumber industry, for example, has ridiculously low wage scales. The wages in that industry are far below the minimum of 65 cents an hour. We are now crying for lumber with which to build houses and wonder why it is not being produced.

As the national income has gone up the employees in such industries as communications and public utilities, wholesale and retail trade, and transportation and services have fallen particularly far behind. Furthermore, within the manufacturing group itself it is very clear that there were vast discrepancies between types of manufacturing—the earnings of certain groups of workers rising above the average of 72.3 percent and the earnings of other groups falling far below this figure. One of the principal reasons for this variation, of course, has been the longer hours worked in the war industries. A boost in the minimum wage, as is contemplated under the bill which we are discussing, will help to rectify some of the inequities as to the distribution of our vastly increased national income.

When the distribution of our national income gets out of balance, there is trouble. I remember that, during the depression, the farmers in the Middle West were burning wheat and corn, and coal miners in my State could not eat the coal which they mined but they could not sell it to the wheat farmers, who would much rather have burned the coal and sold their wheat. That situation resulted from a failure to distribute national income more properly.

It is also interesting to note how the little businessman and the independent farmers have fared during the years from 1938 through 1945. The net income of proprietors, that is to say, proprietors of small businesses, small mercantile establishments, filling stations, and so forth—which roughly covers this group, increased from \$10,100,000,000 in 1938 to \$25,600,000,000 in 1945. The income of agricultural proprietors went up from \$4,000,000,000 in 1938 to \$12,500,000,000 in 1945. That group compares with nonagricultural proprietors whose net income went from \$6,100,000,000 in 1938 to \$13,100,000,000 in 1945. As to big business, corporate profits before Federal income taxes increased from \$5,500,000,000 in 1939, which was incidentally a very much more profitable year than 1938, to \$24,900,000,000 in 1944, or an increase of 350 percent. While these profits constituted only 6.2 percent of the gross national product in 1939, in 1944 they represented 12.5 percent of the gross national product, or twice as great a percentage as in 1939.

In a country which has such a large national income and productive capacity as ours, there should be no question that the lowest paid wage earner should get at least 65 cents an hour—which, on the basis of a 40-hour week, would yield him \$26, and in the years when he works a full 52 weeks, taking no vacation, would yield him annual earnings of \$1,352. That is why we are trying to pass this

bill. Even that income will not allow him to break even if he is the wage earner for an average urban family with two or more members. He will have to earn over \$2,000 a year in order to reach such a happy state of affairs that he will not find himself going steadily into debt each year.

There is no question that there are employees who are so incompetent that even in a high-wage-paying industry they might not be worth 65 cents an hour to an employer. I believe, however, that this type of employee constitutes a very small percentage of the workers with whom I am—and with whom all of us are—concerned in enacting a minimum wage law. I wish to call attention to the very large group of low-wage earners who are perfectly competent, but who through the chance of economic and social forces beyond their own individual control find themselves in a low-wage-paying industry. You might ask, "Why do not they get out and get themselves a job in a high-wage-paying industry?" The answer is that many of them do exactly that. Millions of workers pulled up stakes during the war and flocked to the industrial centers where ships and airplanes and tanks and guns were being built; and, as many of us know, they are still stranded there because they cannot get jobs back home that will yield them a living. But everyone cannot and could not work in Detroit or Los Angeles or Wichita or Seattle or Baltimore or Norfolk or any of a number of industrial centers of that type.

Now that the war is over, many of those workers must go to other places to seek work at lower hourly rates, to say nothing of lower weekly take-home pay. They must go into industries where the forces that make for high wages are not present, and they must accept the going rate if they are to be employed at all.

Mr. President, on that one point let me say that we talk about rates, but rates do not feed families. It is the take-home dollars on the pay table, based upon the total number of hours of work in the week, that feed the family and pay the doctor and the dentist and keep a roof over the heads of the members of the family. The only thing we can do with rates is to try to increase the take-home pay so that the workers will have enough to live on. Employees should not be penalized because of the happenstance that they are working in industries where the wages are low. For instance, during the war we never were able to correct that condition in respect to the foundry industry, which was almost stalled in 1944 and 1945, for the foundry industry was paying such a low wage rate that it was impossible to hire the employees who were needed in the foundries. Yet we were unable to get the wages raised sufficiently to take care of that situation, and the low wage rate in the foundries is a factor which is still holding back the production of foundries. Frankly, Mr. President, during the reconversion period we must build up the foundry business if we expect to get our machines and production going.

In the interest of our economy as a whole, I believe we should take steps to protect the workers in such industries

so that they will not keep falling behind in the sharing of our increasing national income and over-all productivity. There is no question that at the present time the average income of the organized workers in the mass-production industries—or at least those who are employed for longer than 40 weeks a year—is higher than the income of the average American worker.

As the prosperity of this great country of ours steadily rises, it will be felt by all groups. This prosperity will, in fact, grow even greater if the workers at the bottom of the income group have sufficient income to maintain themselves and their families at as high a standard of living as possible, thereby making it possible for those people to buy the products of the other workers as well as the products of their own work, and thereby keeping the national income at a high level. When the income of an urban worker at the minimum wage rises from the present level of 40 cents or \$800 a year—and imagine living on that amount of money, with OPA ceilings what they are today—to 65 cents, or \$1,300 a year, he spends about 40 percent more money on food, for example, which would naturally have a tremendous effect on the income of the farmer.

Mr. President, let me point out here that with increased incomes paid to workers in the big industrial centers, the pounds of food—not the cost of food—but the pounds of food consumed by the American public rises accordingly, showing that in spite of the pride we take in our American prosperity and our standards of living, there were definite numbers of people in the United States of America who did not have enough to eat. For instance, such a worker spends about twice as much money on clothing, which will affect greatly the incomes of workers in the textile and apparel fields, as well as the cotton farmers and processors, to the extent that cotton is the base for the clothing. He spends about 60 percent more for tobacco, which will benefit that industry and the tobacco farmer. He spends three times as much on automobiles, which will affect the employment of workers in that vast industry.

Mr. PEPPER. Mr. President, will the Senator yield at this point?

Mr. KILGORE. I yield.

Mr. PEPPER. I understand that the Senator has suggested that one of the beneficial features of the pending bill is that it will distribute the national income and what might be called the national prosperity a little more generously, at least, to the people at the bottom of the economic structure.

Mr. KILGORE. That is part of what the bill will do, I say to the Senator from Florida. But there is an additional incentive, and it is a selfish one—namely, that by so doing we increase the market for the products of the members of all strata. We increase the amount of work done because we enable that worker to buy enough to enable him to live, not just to exist. In other words, his increased pay will be felt by others—particularly it will help farmers—and that in turn will increase the earnings of his employer and will give that employee more work. Of course, we say that "roll-

ing stones gather no moss," but we realize that moving dollars produce income, whereas stagnant dollars produce depressions.

Mr. PEPPER. Mr. President, I heartily concur in the Senator's opinion. In view of what he has just said, does it not follow that Senators representing big industrial States, for example, which already have a high wage level will, nevertheless, be interested in this bill because it will create new markets and larger markets for the products that are turned out by the industrial machines in those States?

Mr. KILGORE. Let me reply to the distinguished Senator from Florida by saying that an industrialist—I shall not mention his name—said to me that in a certain State where the wage level was low, his plant paid wages on a level with those paid in a State where the wage level was high. I asked him why that was done. I said to him, "Is it not true that you are able to obtain employees who will work at lower wages?" He said, in reply, "Yes; but employees who work on that wage level are not able to buy the things we make. We are selling those things, and we want our employees to receive wages which will enable them to purchase our products."

That illustration gives a picture of the need of industrialists for a more equitable balance of wages in the entire economy.

Mr. PEPPER. Mr. President, will the Senator yield for a further question?

Mr. KILGORE. I yield.

Mr. PEPPER. When we talk about the low-income groups, are we not sometimes in danger of overlooking the fact that they constitute roughly half of the population of the United States, instead of being just an insignificant minority?

Mr. KILGORE. That is correct. I believe they constitute approximately 60 percent or 70 percent of our working force, and, of course, when we also count their dependents they constitute many more than half the population of the United States.

It is thus very much in the interest of organized workers in the heavy goods industries, as well as workers in agriculture and agricultural processing, that the low-income group get a fair proportion of the increasing national income and productivity.

Let me cite one personal experience. The town in which I live is largely dependent upon the coal mines. Wages are fixed, but the number of days of work a week are not fixed. When the coal business slacks off and the workers are reduced from 5 days of work a week to 4 days a week, we find that every business in the town is affected and every farmer in the county is affected and farmers in surrounding counties are affected. When the workweek is reduced to 3 days, the effect is more pronounced than ever; and when the workweek gets down to 2 days, it is almost necessary for the stores to shut for all the days of the week except Saturday.

Mr. President, the enactment of the legislation here proposed is the only way of assuring a steadily expanding national income. The old saying that "a chain is as strong as its weakest link" has much

pertinence in the era in which this country is about to enter. A large group of workers working at very low wages can only mean a constant drag and drain on our whole economy, because it is impossible for those workers to buy many of the products of American industry. On the other hand, if no group of workers is allowed to go below a certain basic minimum, a strong and prosperous era is more nearly assured, because then the workers are able to buy what they should have if they are to live in the way in which we want decent Americans to live—in the American way.

On the other hand, it is not only to the financial interest of us all that our weakest economic link—the below-standard wage earner—be strengthened, but it is also fair and just to that group that the means be found whereby they will be assured to the greatest extent of a share of our expanding national income which will enable them to achieve as high a standard of living as possible.

Mr. President, allow me to say one thing further. Efforts have been made to eliminate from the picture certain types of store employees. As a judge on the bench for 8 years, I found that one of the greatest causes of crime and, may I say, of prostitution, was the substandard wage being paid by the operators of certain types of stores to their employees, thereby preventing those employees from receiving sufficient income to pay for clothing and other necessities. We must raise our standard of civilization and be willing to pay enough so that such persons as those to whom I have referred do not have to stoop to unsocial practices which they find necessary in order to live.

It is not enough to use 1938 as a base and provide for an increase in the minimum wage which will meet the increased cost of living that has taken place since 1938. Bear in mind, Mr. President, that when I previously used the term "cost of living" I was talking about the cost of existence, because I challenge any Member of the Senate to go out with me for any period of time and live on 40 cents an hour, or even 65 cents per hour, and at the same time try to raise a family.

We must start with a new base; 1946 is not 1938. In 1946 we face economic conditions which are far more favorable than they were in 1938. We must give full recognition to that fact. To do otherwise would be to blind ourselves to basic economic realities and take a step backward in our goal to eliminate wage levels which are detrimental to the maintenance of a minimum standard of living.

Mr. President, this bill must be passed without crippling amendments, and without amendments which would eliminate certain strata of society. We must restore a large portion of the lower-wage bracket to where those within it may live. What sense is there in the world in classifying a truck driver who happens to haul farm produce as a farm laborer when he is driving alongside of a truck driver who is hauling gasoline and who is not classified as a farm laborer? If we do that then let us say that the man who eats the product of the farm is a farm laborer. I think that to adopt that

attitude would be no more extravagant than to adopt some of the definitions which some are proposing to inject into the bill.

Mr. President, this bill must be passed as it was reported out by the Committee on Education and Labor, with provisions for a minimum wage which will be in line with the social and economic aspirations of our country. That is the key to prosperity. It is the key which we may well follow. It is the key which will keep us out of real inflation and out of depression. It is the key which will keep the economy of the country moving along, so that 3 years from now, 5 years from now, or 10 years from now, wheat farmers in the Middle West will not be burning wheat in their stoves, and coal miners in West Virginia will not be begging from door to door, and other workers in the industrial sections will not be confronted with economic conditions which threaten to destroy them. Those conditions are what we must avoid in the future. Let us look at the future, always to the future, but let us not forget the past.

THE INTERNATIONAL SITUATION AND AMERICA'S FOREIGN POLICY

Mr. MOORE. Mr. President, the President of the United States is quoted as saying that all he knows about Russian troop movements into the Near East is what he reads in the newspapers. For some time the American people have had the uncomfortable feeling that the international situation was drifting from bad to worse. This feeling is emphasized by public statements of the Secretary of State and others which are being interpreted as a warning that this Government must be prepared to take a firmer position with respect to the policy of imperialism being evidenced by Russia. Underneath our nervousness, however, has been the abiding confidence that our Government was in touch with developments, and that the statements of the Secretary of State and the complacency of the President were based on a sound knowledge of current international developments. Now to be told by the President that all he knows about the situation is what he reads in the newspapers is, to say the least, disturbing in the extreme.

Mr. President, it appears from the press that a fully equipped Russian Army is on the march. Undoubtedly American lend-lease guns, planes, tanks, and trucks are being used by the Russian Army. In view of this situation, I do not think it amiss to call public attention to the contract under which these implements of war were furnished to the Russian Government. Article 5 of the Soviet master lend-lease agreement provides:

The Government of the Union of Soviet Socialist Republics will return to the United States of America at the end of the present emergency, as determined by the President of the United States of America, such defense articles transferred under this agreement as shall not have been destroyed, lost or consumed, and as shall be determined by the President to be useful in the defense of the United States of America or of the Western Hemisphere, or to be otherwise of use to the United States of America.

I should like to call attention also to the fact that the acceptance by Russia of the principles of the so-called Atlantic Charter was a condition upon which the lend-lease agreement was entered into by this Government.

Let it be remembered that in subscribing to principles of the Atlantic Charter, Russia agreed:

First. That she sought no aggrandizement, territorial or other;

Second. She desired to see no territorial changes that did not accord with the freely expressed wishes of the peoples concerned; and

Third. She respected the right of all peoples to choose the form of government under which they will live; and she wished to see sovereign rights and self-government restored to those who had been forcibly deprived of them.

Mr. President, so long as the President fails officially to terminate the war, the Russian Government is technically entitled to retain and use the implements of war that are supporting her armed invasion of the Middle East. The retention of this equipment makes it even possible for Russia to enforce her violation of the lend-lease agreement. The administration failed, immediately upon the close of the war to insist upon Russia's compliance with the agreement by returning all lend-lease equipment capable of being used to make war. Instead, it now appears that we are continuing the delivery to Russia of lend-lease supplies of more than a quarter of a billion dollars on credit maturing over a period of 30 years.

The admission of the President that he is wholly uninformed of the situation except what he sees in the press, the failure of the administration to insist that the Russian Government respects its agreement, the continuation of almost \$300,000,000 of lend-lease to Russia after the war against a credit maturing over a period of more than 30 years, although the President had previously indicated by public statements that lend-lease aid had been terminated, are disclosures which operate to shake the confidence of the people in the wisdom and integrity of the administration.

The American people are hungry for a leadership that will be frank, open, honest, and forthright in its dealings at home and abroad. They are tired of secret agreements and secret commitments. They are appalled and confused at the conflicting statements from the White House and the Secretary of State. It is beginning to appear that our confusion and inadequacy in international relations is as great as it is on the domestic front.

ADDRESS OF A. F. OF L. PRESIDENT GREEN

Mr. WILLIS. Mr. President, every once in a while, amid a multitude of printed matter which reaches my desk and the desk of every other Senator, I come across a speech, or a brochure, that stands out from the mass of other material.

Such is the brief speech of William Green, president of the American Federation of Labor, recently delivered by him before the Carbondale (Pa.) Central Labor Union. I personally believe that

Mr. Green has made a most meritorious and apropos statement for these times.

I invite the attention of my colleagues to some basic principles of government on which Mr. Green touched. After painting the picture of shortages which we all know exists today, Mr. Green made references to the "growth of Government encroachment upon the economic freedom of our people."

"That was inevitable," he pointed out, in view of the war. "But it did not end with the war. That could have been avoided—and it must be stopped!"

Later, Mr. Green made the following statement for labor—and I know that every American laboring man who is not a Communist or a Fascist will agree with him—

We cannot accept a regimented economic philosophy formulated and imposed upon the workers by the Government. Freedom and liberty are just as essential to the welfare of the workers as the "four freedoms" are to all the people of our own country and all others throughout the world.

Later in this speech Mr. Green pointed out that "at the moment, neither labor nor industry know where they stand nor where they are heading in the future."

Employers are afraid to make commitments for fear of disaster," he says. "Production is stalled."

I submit to Senators who believe in real freedom, and who are fighting with millions of Republicans against the ever-increasing encroachments of the Federal patronage machine, that William Green has made a statement that deserves consideration of every true American. I therefore ask unanimous consent that his statement be printed in the RECORD at the conclusion of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

More than 6 months have passed since VJ-day. By this time we should have been well along on the road to postwar recovery. Such is not the case.

Instead of peace bringing order out of chaos, it has added even worse confusion to our economy. Rapid expansion of industrial production has failed to materialize. Shortages of the necessities of life and housing are daily becoming more acute. Prices are still going up. The forces of inflation are on the march. The Government with one hand solemnly pledges to "hold the line" and with the other deliberately creates a serious bulge. Federal agencies, instead of eliminating wartime controls, are imposing new and even more baffling regulations. Increases in wage rates obtained by organized labor through collective bargaining are rapidly being wiped out by higher living costs. Congress is in revolt against anything the President recommends.

This is not an exaggerated picture I have drawn. It squares with the harsh facts in every particular. And these facts, added together, represent a threat to the future of the American way of life which the workers of our country dare not ignore.

It is not my purpose here to place the blame for the present unsatisfactory situation on any individual or group. I prefer to point out where our national policies have deviated from the true path and to indicate how we can regain the road to postwar recovery with the least possible delay.

The big danger we face is the establishment of a permanent economy in our country regulated and regimented from beginning to end

by the Federal Government. That is a step toward totalitarianism. When freedom of enterprise for labor and for business is wiped out by government, every other freedom enjoyed by the people stands in jeopardy.

Let us concede that the growth of government encroachment upon the economic freedom of our people began with the war. That was inevitable. But it did not end with the war. That could have been avoided—and it must be stopped.

I am convinced that President Truman approached the Nation's postwar problems in the right spirit and with every determination to restore a normal economy as promptly as the necessary changes could be safely effected. He told me so. I believed him and I still believe in his sincerity. But the tragic truth is that he received and listened to the wrong advice.

Consider what happened in the field of labor-management relations. When the trade-union movement sought to cushion the shock of reconversion after VJ-day by negotiating increases in wage rates for the Nation's workers to make up for the loss in take-home pay due to reduction of working hours and elimination of overtime, the President summoned a labor-management conference in Washington to recommend methods by which such programs could be settled peacefully and without undue delay.

The conference deliberated several weeks and arrived at certain constructive conclusions. Its two major recommendations were:

1. That collective bargaining should be universally adopted as the only practical method of settling labor-management disputes in a satisfactory way.

2. That when collective bargaining failed to bring about agreement, labor and management should be willing to submit issues left in dispute to voluntary arbitration.

This expression of the management-labor conference reflects the economic philosophy originated, advocated, and practiced by the American Federation of Labor. It emphasizes freedom of action on the part of free working men and women who have organized themselves into free, democratic unions. Its chief objective is the elimination of compulsory arbitration and of Government intervention or domination in collective bargaining and wage standards. These findings fail to satisfy certain elements who not only favor, but rely upon, Government intervention in the fixing of wage standards. They seem to fail to grasp the fact that if Government can give, it can also take away.

Labor has fought from the beginning for the enjoyment of the right to organize into free, democratic unions and to bargain collectively on equal terms with employers. It cannot afford to compromise upon these fundamental principles. Through its steadfast devotion to this line of procedure, organized labor has established itself as a vital force in the economic and industrial life of the Nation. It has mobilized its economic strength and through the exercise of its power, strength, and influence has served to promote the economic and social welfare of the working men and women of our country.

We cannot accept a regimented economic philosophy formulated and imposed upon the workers by the Government. Instead, we insist and demand that labor shall be accorded the right to form its own unions, to consolidate and utilize its resources and its economic strength in conformity with democratic principles and procedure. Freedom and liberty are just as essential to the welfare of the workers as the four freedoms are to all the people of our own country and all others throughout the world.

It is universally recognized that President Truman has been under severe pressure. However, he could have insisted that all labor disputes be settled by collective bargaining and voluntary arbitration without Government intervention. Instead, he listened to

incompetent advisers who concocted a magic formula for him—another easy way out. This formula called for the settlement of labor-management disputes by Government fact-finding boards and for the imposition of compulsory cooling-off periods. The American Federation of Labor promptly announced its opposition to any such invasion of labor's fundamental right to strike and the inauguration of compulsory arbitration by Government—which is what the fact-finding procedure amounted to. Industry rebelled against inspection of its books and investigation of its profits by fact-finding boards. Without waiting for specific congressional authorization, the President appointed a few experimental fact-finding boards and their utter failure in practice persuaded Congress to reject the President's recommendation for the enactment of fact-finding board legislation.

Because of these upsetting developments, the President and his advisers erroneously decided to reestablish war emergency control over wages and collective bargaining. This, in my opinion, was a grave mistake. Following the lifting of war emergency restrictions upon collective bargaining after VJ-day, the representatives of millions of workers made definite progress in the settlement of wage scales and wage standards through genuine unrestricted collective bargaining. This progress was abruptly terminated as a result of the announcement of a new stabilization policy on the part of the Government.

Under the new stabilization policy, a formula for wages has been set up similar in principle to the Little Steel formula and Government agencies must pass upon wage agreements before they can be applied and accepted. Workers still remember how they resented the restrictions placed upon collective bargaining and those who participated in collective bargaining through the establishment, maintenance and application of the Little Steel formula. They protest against the application of the principle of a wage formula particularly now when the war emergency period has passed. The new stabilization policy places labor in an inescapable Government strait-jacket by requiring prior approval from the Wage Stabilization Board of any wage increase which will be used by an employer as a basis for application for higher price ceilings.

It was indeed unfortunate that certain influences caused the administration to barter and bargain at the expense of the consuming public, including the wage earners, at a critical period in the economic life of the Nation. The net result of it all is to subject millions of wage earners to the danger of inflation. Increases in wages mean nothing to wage earners if prices are to soar and the cost of living constantly mount. History records that prices increase more rapidly than wages. Such a policy is economically unsound. It is inflationary in principle and wage earners pay more heavily than any other class of people when uncontrolled inflation prevails.

I am confident that time and experience will prove the soundness and validity of a free economy as compared with a controlled, regimented economy. The stabilization policy originated by the administration and inaugurated by Government decree does not square with the American way of life. It is in contradiction to the basic principles upon which our democratic form of government rests. We must unite in defense of the principles of freedom, liberty, and democracy and in the preservation of a free economy, free democratic unions, freedom to bargain collectively without Government interference or domination, and freedom to exercise those inherent rights conferred upon us by the Constitution of the United States. We realize that all these rights will be impaired if not destroyed if the Nation becomes

permanently subjected to a regimented economy.

At the moment neither labor nor industry know where they stand nor where they are heading in the future. Employers are afraid to make commitments for fear of disaster. Production is stalled. Reactionary elements in Congress are taking advantage of the opportunity to attempt to wreck the entire system of price control. Powerful inflation lobbies are aiding and abetting this move. In addition they are backing congressional attempts to enact the worst anti-labor legislation ever proposed in Washington.

How can these dangerous trends be halted? How can we restore sane and sensible conditions which will be clear to all and encouraging to all?

I propose, first, that the present crazy-quilt stabilization program be scrapped and that the President invite representatives of labor, industry, and agriculture to confer with him on the drafting of an entirely new one which will be fair and just to the entire Nation.

Secondly, I recommend that this new policy be adopted for the duration of not more than 1 year, with the unequivocal commitment that at the expiration of that time all Government controls on wages and prices be dropped.

Finally I urge with all the emphasis at my command that the Government eliminate itself from the sphere of labor-management relations except for offering a strengthened Conciliation Service to both parties and allow labor and industry to work out their problems through the proper methods of collective bargaining and voluntary arbitration.

In my opinion, even our great country cannot indefinitely sustain the strain of living from one emergency to the next without relief. We must set ourselves a reasonable dead line to get back to a normal basis and meet that deadline. The American Federation of Labor will do its utmost to help achieve that goal in the interests of preserving the American way of life for the American people.

AUTHORIZATION FOR COMMITTEE ON APPROPRIATIONS TO REPORT A BILL

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that during the recess of the Senate, which I understand will be until Tuesday, the Committee on Appropriations may be authorized to file a report on the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes.

The PRESIDING OFFICER (Mr. Gossett in the chair). Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. PEPPER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. Gossett in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Lt. Gen. Walter Bedell Smith, United States Army, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of Soviet Socialist Republics, which was referred to the Committee on Foreign Relations.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Vice Adm. Arthur S. Carpenter, United States Navy, to be a vice admiral in the Navy, for temporary service, to rank from the 3d day of April 1945.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the foreign service.

Mr. PEPPER. I ask unanimous consent that the foreign-service nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the foreign-service nominations are confirmed en bloc.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the United States Public Health Service.

Mr. PEPPER. I ask unanimous consent that the Public Health Service nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. PEPPER. I ask unanimous consent that the postmaster nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That concludes the Executive Calendar.

RECESS TO TUESDAY

Mr. PEPPER. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Tuesday next.

The motion was agreed to; and (at 4 o'clock and 2 minutes p. m.) the Senate took a recess until Tuesday, March 19, 1946, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 15 (legislative day of March 5), 1946:

DIPLOMATIC AND FOREIGN SERVICE

Lt. Gen. Walter Bedell Smith, United States Army, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of Soviet Socialist Republics.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 15 (legislative day of March 5), 1946:

FOREIGN SERVICE

TO BE CONSULS GENERAL OF THE UNITED STATES OF AMERICA

George Tait Prescott Childs
Maurice W. Altaffer Earl L. Packer

TO BE CONSULS OF THE UNITED STATES OF AMERICA

Foy D. Kohler	Martin J. Hillenbrand
Reginald Bragonier, Jr.	Frederick J. Mann
William Belton	J. Kittredge Vinson
V. Lansing Collins, Jr.	G. Frederick Reinhardt
Fulton Freeman	Miss Kathleen Molesworth

UNITED STATES PUBLIC HEALTH SERVICE
APPOINTMENTS AND PROMOTIONS

To be assistant surgeons

Leonard T. Kurland	Thomas A. Burch
Howard N. Frederickson	James R. Mason
Robert B. Shelby	John J. Antel
Carl A. Boswell	Gove Hambidge, Jr.
William A. Himmelsbach	John F. Bell
Lewis Francis	John G. Robinson
	Andrew L. Hoekstra
	Gordon B. Wheeler

To be senior assistant surgeons

Milton I. Roemer	Charles R. Hayman
Earl H. Webster	Ira Lewis
Harry E. Malley	Wolcott L. Etienne

To be temporary senior assistant surgeons

Robert J. Burleson	Martin J. Ittner
Thomas O. Dorr	Marvin W. Evans
Harold B. Alexander	

To be temporary surgeons

Robert J. Anderson	Robert N. Lord
Kenneth W. Chapman	Carl L. Larson
Henry D. Ecker	Jack A. End
Gabriel P. Ferrazzano	James F. Maddux
Emerson Y. Gledhill	Mark E. Myers
Robert Mc. Mitchell	Lloyd F. Summers
Robert M. Thomas	Randolph P. Grimm

To be temporary medical director

Egbert M. Townsend.

To be temporary senior pharmacists

Raymond D. Kinsey.
Thomas C. Armstrong.

POSTMASTERS

ARKANSAS

Lamar W. Grisham, Pickens.

LOUISIANA

Oscar B. Buck, Mansfield.

NORTH CAROLINA

Bonnie M. Godley, Grimesland.

OKLAHOMA

Robert G. Blackwell, Calvin.
Alice O. Beckham, Foss.

OREGON

Ada M. McFall, Camas Valley.
Oliver C. Gardner, Nelscott.

SOUTH DAKOTA

Floyd O. Clark, Bison.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 15, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Father of mercies, we bless Thee that Thou hast given Thine only begotten Son in the frailty of human flesh to walk our ways, endure our sorrows, and taste the bitterness of death; girded with this eternal truth, help us to stand immovable. Out of the realm of human tendencies, O lift us into the plentitude of Thy grace and into the mystery and secret of the Most High. In these momentous days, O God, open our eyes that we may see to follow Thee. We praise Thee that not until the human soul is quenched can religion die; not

until the last tear is shed, the last pulse of love has throbbed will the life of our Saviour lose its power among men. The world has its nights and its days, but Thy holy word standeth sure and immutable. Glory be to Thy holy name, O Lord God of the ages. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 50. Concurrent resolution relating to the succession to the Presidency of the United States.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 301) entitled "An act to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes."

EXTENSION OF REMARKS

Mr. ROE of Maryland asked and was given permission to extend his remarks in the RECORD and include an article by Frank R. Kent appearing in the Baltimore Sun.

PERSONAL EXPLANATION

Mr. RANDOLPH. Mr. Speaker, yesterday afternoon during roll call No. 55 I was necessarily absent from the floor of the House. Had I been present, I would have voted "yea." It is my purpose to support in every possible manner the program of housing facilities for veterans.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include an editorial which appeared in this morning's paper.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. HOLIFIELD addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. LARCADE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Washington Evening Star on the OPA.

Mr. SULLIVAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address by Postmaster General Hannegan on the homecoming of Francis Cardinal Spellman.

Mr. BAILEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement issued by the League for Political Education of the State of West Virginia.

Mr. LYLE, Mr. DOMENGEAUX, and Mr. VURSELL asked and were given permission to extend their own remarks in the Appendix of the RECORD.

Mr. MASON asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject OPA—A Blessing or a Curse and to include therein an editorial from the Saturday Evening Post on the same subject.

Mr. PLUMLEY asked and was given permission to extend his remarks in the RECORD and include some newspaper clippings.

Mr. MANASCO asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article appearing in the Washington Evening Star on March 14, 1946, relating to the care and disposal of Pacific war-surplus property.

PERMISSION TO ADDRESS THE HOUSE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. FLOOD addressed the House. His remarks appear in the Appendix.]

COOPERATION OF HOUSE RESTAURANT
ASKED IN WAR-FOOD PROGRAM

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, we have been made very aware of the fact that famine stalks the world, and that we here in this country should pull in our belts and eat less, particularly bread. I am wondering if the Members of this House will join me in requesting the House restaurant to be an example of the frugal use of bread, to ask the management to have smaller rolls, to serve only one roll to a person, and to be very careful that no one really misuses the privilege of having a little bread. Too many people are starving to death abroad to make it tolerable for us to be careless, thoughtless, and selfish here at home. Is it not our place as the representatives of the people to show in action that we represent a people that is ready to curtail its use of essential foods that the starving may be fed.

NEED FOR DIPLOMATIC REPRESENTATION
IN MOSCOW

Mr. McMILLEN of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McMILLEN of Illinois. Mr. Speaker, there has been no time in the history of our country in its relationship with Russia when it was more important to have an Ambassador from this country in Moscow. Diplomatic relationship and the ascertainment of facts from this level have not been available to our country for want of an Ambassador since the resignation of ex-Ambassador